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TITLE 6—AGRICULTURAL CREDIT

Chapter III—Farmers Home Administration, Department of Agriculture

Subchapter A—Farm Housing Loans and Grants

PART 301—BASIC REGULATIONS

Subchapter B—Farm Ownership Loans

PART 311—BASIC REGULATIONS

TEMPORARY CREDIT RESTRICTIONS

1. Section 301.3 (a), Title 6, Code of Federal Regulations (15 F. R. 8148), is amended to extend to all territories and possessions the exemption from credit restrictions formerly applicable only to Alaska, so that the paragraph as amended reads as follows:

§ 301.3 *Temporary credit restrictions*—(a) *General*. Requirements issued pursuant to the Defense Production Act of 1950 necessitate establishment of new Farm Housing credit restrictions. Farm Housing loans approved on or after October 18, 1950, or for which applications were received on or after October 12, 1950, must comply with the applicable requirements of this section. The credit restrictions established by this section apply only to Farm Housing funds advanced for dwelling construction, do not apply to amounts loaned for other purposes, and do not apply to any case in which the amount of Farm Housing funds to be used for dwelling construction is \$2,500 or less. The credit restrictions established by this section apply to Farm Housing loans made in the continental United States (not including Alaska).

(Sec. 510, 63 Stat. 438; 42 U. S. C. 1480; E. O. 10161, Sept. 9, 1950, 15 F. R. 6105. Interprets or applies sec. 605, Pub. Law 774, 81st Cong.)

2. Section 311.8 (a), Title 6, Code of Federal Regulations (15 F. R. 8148), is amended to extend to all territories and possessions the exemption from credit restrictions formerly applicable only to Alaska, so that the paragraph as amended reads as follows:

§ 311.8 *Temporary credit restrictions*—(a) *General*. Requirements is-

sued pursuant to the Defense Production Act of 1950 necessitate establishment of new Farm Ownership credit restrictions. Farm Ownership loans, direct or insured, for which applications were received on or after October 12, 1950, must comply with the applicable requirements of this section. The credit restrictions established by this section apply only to Farm Ownership funds advanced for dwelling construction, do not apply, except as provided in paragraph (d) of this section, to amounts loaned for other purposes, and do not apply to any case in which the amount of Farm Ownership funds to be used for dwelling construction is \$2,500 or less. The credit restrictions established by this section apply to Farm Ownership loans made in the continental United States (not including Alaska).

(Sec. 41, 60 Stat. 1066; 7 U. S. C. 1015; E. O. 10161, Sept. 9, 1950, 15 F. R. 6105. Interprets or applies sec. 605, Pub. Law 774, 81st Cong.)

[SEAL]

CHARLES F. BRANNAN,
Secretary of Agriculture.

[F. R. Doc. 51-3896; Filed, Mar. 30, 1951; 8:47 a. m.]

Subchapter A—Farm Housing Loans and Grants

PART 302—APPLICANTS

SUBPART B—APPLICATIONS

FARM OWNERSHIP LOANS TO FARM HOUSING APPLICANTS

Section 302.23 (a) in Title 6, Code of Federal Regulations (14 F. R. 6547), is amended to read as follows:

§ 302.23 *Reaching proper understanding with applicants*. * * *

(a) *Advising applicants regarding the types of assistance available*. In many cases, it will be evident whether the applicant is eligible for a section 502 loan, a section 503 loan, or section 504 assistance. In such cases, it will not be necessary to discuss with him the various types of assistance that are available. In other cases, there may be some question in regard to the type of assistance for which the applicant may be eligible.

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In those cases, the County Supervisor should discuss with him the types of assistance that are available, as outlined in § 301.22 of this subchapter, and for which he may be qualified. Whenever the credit needs of an applicant for a Farm Housing loan can be met more adequately with a Farm Development or Farm Enlargement loan under the Farm Ownership program, such a loan should be discussed with the applicant, and, if practicable, should be made in lieu of a Farm Housing loan.

(Sec. 510, 63 Stat. 438; 42 U. S. C. 1490. Interprets or applies secs. 501, 502, 503, 504, 63 Stat. 433, 434, 435; 42 U. S. C. 1471, 1472, 1473, 1474)

DERIVATION: § 302.23 contained in FHA Instruction 411.12.

MARCH 14, 1951.

[SEAL] DILLARD B. LASSETER,
Administrator,
Farmers Home Administration.

Approved: March 27, 1951.

CHARLES F. BRANNAN,
Secretary of Agriculture.

[F. R. Doc. 51-3898; Filed, Mar. 30, 1951;
8:47 a. m.]

Subchapter B—Farm Ownership Loans

PART 311—BASIC REGULATIONS

SUBPART B—LOAN LIMITATIONS

AVERAGE VALUES OF FARMS AND INVESTMENT LIMITS; ILLINOIS

For the purposes of Title I of the Bankhead-Jones Farm Tenant Act, as amended, average values of efficient family-type farm-management units and investment limits for the counties identified below are determined to be as herein set forth. The average values and investment limits heretofore established for said counties, which appear in the tabulations of average values and investment limits under § 311.30, Chapter III, Title 6 of the Code of Federal Regulations (13 F. R. 9381), are hereby superseded by the average values and investment limits set forth below for said counties.

ILLINOIS

County	Average value	Investment limit
Adams.....	\$20,000	\$12,000
Alexander.....	15,000	12,000
Bond.....	13,000	12,000
Boone.....	24,000	12,000
Brown.....	18,000	12,000
Bureau.....	22,000	12,000

ILLINOIS—Continued

County	Average value	Investment limit
Calhoun.....	\$12,000	\$12,000
Carroll.....	24,000	12,000
Cass.....	20,000	12,000
Champaign.....	28,000	12,000
Christian.....	25,000	12,000
Clark.....	18,000	12,000
Clay.....	12,000	12,000
Clinton.....	16,000	12,000
Coles.....	25,000	12,000
Cook.....	22,000	12,000
Crawford.....	14,000	12,000
Cumberland.....	15,000	12,000
De Kalb.....	30,000	12,000
De Witt.....	38,000	12,000
Douglas.....	25,000	12,000
Du Page.....	25,000	12,000
Edgar.....	25,000	12,000
Edwards.....	15,000	12,000
Effingham.....	18,000	12,000
Fayette.....	13,000	12,000
Ford.....	26,000	12,000
Franklin.....	16,000	12,000
Fulton.....	20,000	12,000
Gallatin.....	20,000	12,000
Greene.....	18,000	12,000
Grundy.....	30,000	12,000
Hamilton.....	16,000	12,000
Hancock.....	23,000	12,000
Hardin.....	10,000	10,000
Henderson.....	25,000	12,000
Henry.....	22,500	12,000
Illinois.....	30,000	12,000
Jackson.....	12,000	12,000
Jasper.....	12,000	12,000
Jefferson.....	13,500	12,000
Jersey.....	14,500	12,000
Jo Daviess.....	16,500	12,000
Johnson.....	11,000	11,000
Kane.....	35,000	12,000
Kankakee.....	30,000	12,000
Kendall.....	28,000	12,000
Knox.....	28,000	12,000
Lake.....	25,000	12,000
La Salle.....	30,000	12,000
Lawrence.....	14,000	12,000
Lee.....	25,000	12,000
Livingston.....	37,000	12,000
Logan.....	42,000	12,000
McDonough.....	24,000	12,000
McHenry.....	25,000	12,000
McLean.....	30,000	12,000
Macon.....	30,000	12,000
Macoupin.....	20,000	12,000
Madison.....	20,000	12,000
Marion.....	12,000	12,000
Marshall.....	19,000	12,000
Mason.....	27,500	12,000
Massac.....	10,000	10,000
Menard.....	30,000	12,000
Merced.....	25,000	12,000
Monroe.....	18,000	12,000
Montgomery.....	20,000	12,000
Morgan.....	24,000	12,000
Moultrie.....	28,000	12,000
Ogle.....	23,500	12,000
Peoria.....	28,000	12,000
Perry.....	12,500	12,000
Piatt.....	35,000	12,000
Pike.....	17,500	12,000
Pope.....	10,000	10,000
Pulaski.....	15,000	12,000
Putnam.....	19,000	12,000
Randolph.....	15,000	12,000
Richland.....	12,000	12,000
Rock Island.....	24,000	12,000
Saint Clair.....	20,000	12,000
Saline.....	18,000	12,000
Sangamon.....	29,000	12,000
Schuyler.....	20,000	12,000
Scott.....	20,000	12,000
Shelby.....	19,000	12,000
Stark.....	24,000	12,000
Stephenson.....	20,000	12,000
Tazewell.....	32,000	12,000
Union.....	12,000	12,000
Vermilion.....	25,000	12,000
Wabash.....	14,000	12,000
Warren.....	31,000	12,000
Washington.....	15,000	12,000
Wayne.....	13,500	12,000
White.....	15,000	12,000
Whiteside.....	25,000	12,000
Will.....	30,000	12,000
Williamson.....	16,000	12,000
Winnebago.....	18,000	12,000
Woodford.....	40,000	12,000

(Sec. 41, 60 Stat. 1066; 7 U. S. C. 1015. Applies secs. 3, 44, 60 Stat. 1074, 1069; 7 U. S. C. 1003, 1018)

Issued this 27th day of March 1951.

[SEAL] CHARLES F. BRANNAN,
Secretary of Agriculture.

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PART 311—BASIC REGULATIONS

SUBPART B—LOAN LIMITATIONS

AVERAGE VALUES OF FARMS AND INVESTMENT LIMITS; FLORIDA

For the purposes of Title I of the Bankhead-Jones Farm Tenant Act, as amended, average values of efficient family-type farm-management units and investment limits for the counties identified below are determined to be as herein set forth. The average values and investment limits heretofore established for said counties, which appear in the tabulations of average values and investment limits under § 311.30, Chapter III, Title 6 of the Code of Federal Regulations (13 F. R. 9381), are hereby superseded by the average values and investment limits set forth below for said counties.

FLORIDA

County	Average value	Investment limit
Flagler.....	\$12,000	\$12,000
Holmes.....	12,000	12,000
Lafayette.....	9,000	9,000

(Sec. 41, 60 Stat. 1066; 7 U. S. C. 1015. Interprets or applies secs. 3, 44, 60 Stat. 1074, 1069; 7 U. S. C. 1003, 1018)

Issued this 27th day of March 1951.

[SEAL] CHARLES F. BRANNAN,
Secretary of Agriculture.

[F. R. Doc. 51-3897; Filed, Mar. 30, 1951;
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TITLE 7—AGRICULTURE

Chapter I—Production and Marketing Administration (Standards, Inspections, Marketing Practices), Department of Agriculture

PART 52—PROCESSED FRUITS AND VEGETABLES, PROCESSED PRODUCTS THEREOF, AND CERTAIN OTHER PROCESSED FOOD PRODUCTS

SUBPART B—UNITED STATES STANDARDS FOR GRADES OF PROCESSED FRUITS, VEGETABLES, AND OTHER PRODUCTS

U. S. STANDARDS FOR GRADES OF CANNED BLUEBERRIES

Correction

In F. R. Document 51-2386 appearing in the issue for Saturday, February 17, 1951, at page 1663, delete the phrase "(in water)" which is part of the heading in the last column of Table I, § 52.187 (e).

Subchapter C—Regulations and Standards Under the Farm Products Inspection Act

PART 53—MEATS, PREPARED MEATS, AND MEAT PRODUCTS (GRADING, CERTIFICATION, AND STANDARDS)

REVISION OF OFFICIAL U. S. STANDARDS FOR GRADES OF LAMB AND MUTTON CARCASSES AND ESTABLISHMENT OF OFFICIAL U. S. STANDARDS FOR GRADES OF SLAUGHTER LAMBS, YEARLINGS, AND SHEEP

On February 21, 1951, a notice of rule making was published in the FEDERAL

REGISTER (16 F. R. 1736) regarding the proposed revision of the official U. S. standards for grades of lamb and mutton carcasses (7 CFR 53.114 et seq.) and the proposed establishment of official U. S. standards for grades of slaughter lambs, yearlings, and sheep under the Agricultural Marketing Act of 1946 (60 Stat. 1087, 7 U. S. C. 1621 et seq.) and the item for Market Inspection of Farm Products recurring in the annual appropriation acts for the Department of Agriculture and currently found in the Department of Agriculture Appropriation Act, 1951 (Chap. VI, Public Law 759—81st Cong.; 7 U. S. C. Supp. 414).

After due consideration of all relevant material furnished pursuant to the notice and under the statutory authorities cited above, the official U. S. standards for grades of lamb and mutton carcasses are hereby revised and official U. S. standards for grades of slaughter lambs, yearlings, and sheep are hereby established, to appear in 7 CFR, Part 53, respectively, as follows:

LAMB, YEARLING MUTTON, AND MUTTON CARCASSES

Sec.

- 53.114 Differentiation between lamb, yearling mutton, and mutton carcasses.
- 53.115 Applications of standards.
- 53.116 Specifications for official United States standards for grades of lamb carcasses.
- 53.117 Specifications for official United States standards for grades of yearling mutton carcasses.
- 53.118 Specifications for official United States standards for grades of mutton standards.

SLAUGHTER LAMBS, YEARLINGS, AND SHEEP

- 53.130 Market sheep.
- 53.131 Slaughter classes and market groups.
- 53.132 Slaughter lamb and sheep grades.
- 53.133 Specifications for official United States standards for grades of slaughter lambs.
- 53.134 Specifications for official United States standards for grades of slaughter yearlings and sheep.

AUTHORITY: §§ 53.114 to 53.134 issued under sec. 205, 60 Stat. 1090, Ch. VI, Pub. Law 759, 81st Cong.; 7 U. S. C. 1624. Interpret or apply sec. 203, 60 Stat. 1087.

LAMB, YEARLING MUTTON, AND MUTTON CARCASSES

§ 53.114 *Differentiation between lamb, yearling mutton, and mutton carcasses.* (a) Ovine carcasses are classified as lamb, yearling mutton, or mutton on the basis of characteristics of the bones, general conformation, and characteristics of the flesh.

(b) Lamb carcasses always have break joints on their front shanks and generally have narrow rib bones, a rather regular contour, and a light red color and fine texture of lean. They also have a considerable amount of red in the ribs and a somewhat smaller amount in the shanks.

(c) Yearling mutton carcasses may have either break joints or "spool" joints on their front shanks and generally have moderately wide rib bones, a slightly irregular contour, and a slightly dark red color and slightly coarse texture of lean. They have only traces of red in the ribs and shanks.

(d) Mutton carcasses always have "spool" joints on their front shanks and generally have wide rib bones, a rather irregular contour, and a dark red color and coarse texture of lean. Ribs and shanks are devoid of red color.

§ 53.115 *Applications of standards.* (a) Lamb, yearling mutton, and mutton carcasses are graded on a composite evaluation of three general grade factors—conformation, finish, and quality. These factors are concerned with the proportions of the various wholesale cuts in the carcass, the proportions of fat, lean and bone, and the quality of the flesh. Carcasses qualifying for any particular grade may vary with respect to their relative development of the three grade factors, and there will be carcasses which qualify for a particular grade, some of whose characteristics may be more nearly typical of another grade. Because it is impractical to describe the nearly limitless numbers of such recognizable combinations of characteristics, the standards for each grade describe only carcasses that have a relatively similar development of conformation, finish, and quality and that are also representative of the lower limits of each grade. Examples of the extent to which superiority in quality and finish may compensate for deficiencies in conformation, and vice versa, are indicated for each grade.

(b) The standards are intended to apply to all ovine carcasses without regard to the apparent sex condition of the animal at time of slaughter. However, carcasses which have thick, heavy necks and shoulders typical of uncastrated males are discounted in grade in accord with the extent to which these characteristics are developed. Such discounts may vary from less than a half-grade in carcasses from young lambs in which such characteristics are barely noticeable to as much as two full grades in carcasses from mature rams in which such characteristics are very pronounced.

(c) The standards provide for grading lamb, yearling mutton, and mutton carcasses on separate standards. Although these appear to be rather narrow age groups, each of them actually represents a rather wide range in degree of maturity because of the rapidity with which ovines mature. Recognition of this variation is made in the standards for grades of lamb carcasses by specifying two different requirements for quality and finish, depending upon the degree of maturity. Although only one requirement for quality and finish is specified in the standards for yearling mutton and mutton carcasses, it should be understood that in these groups, as well as lambs, carcasses which have indications of approaching the minimum or maximum maturity limits for their group will have somewhat less or greater evidences of quality and finish, respectively, than that specified.

§ 53.116 *Specifications for official United States standards for grades of lamb carcasses—(a) Prime.* (1) Carcasses possessing the minimum qualifications for the Prime grade tend to be compact and blocky and tend to have

plump, full legs; wide, thick backs; thick, full, smooth shoulders; and short, thick necks.

(2) Evidences of quality and finish vary markedly with changes in maturity. Carcasses from young lambs that have red, narrow rib bones and red, moist porous break joints have only moderately abundant kidney and crotch fat but kidneys are completely covered. They have a moderate amount of feathering between the ribs, a small amount of overflow fat over the inside of the ribs adjacent to the backbone, a few fat streakings in the inside flank muscles and a light pink color of lean. The exterior finish is firm and completely obscures the muscles of the back, however, muscles over the tops of the shoulders and outside of the legs may be visible through a thin covering of fat. Flanks are full and firm.

(3) Carcasses from more mature lambs that have slightly wide, moderately red rib bones, and moderately red, rather dry and hard break joints, have abundant kidney and crotch fat, extensive and abundant feathering, moderately abundant overflow fat over inside of ribs adjacent to the backbone, numerous streakings of fat in the inside flank muscles, and a dark pink color of lean. The exterior finish is very firm, extends over the entire exterior surface except the lower parts of the legs, obscuring the muscles of the back, tops of the shoulders, and outside of legs. The flanks are very full and firm.

(4) To qualify for the Prime grade a carcass must possess the minimum requirements for quality and finish regardless of the extent that its conformation may exceed the minimum requirements for Prime. However, if a carcass has quality and finish equivalent to at least the average of the Prime grade, its conformation may be equivalent to average Choice and remain eligible for Prime.

(b) *Choice.* (1) Carcasses possessing the minimum qualifications for the Choice grade are slightly compact with slightly plump, full legs; slightly wide, thick backs; slightly wide, full shoulders; and slightly short, thick necks.

(2) Evidences of quality and finish vary considerably with changes in maturity. Carcasses from young lambs that have red, narrow rib bones and red, moist, porous break joints, have slightly abundant kidney and crotch fat but kidneys are slightly exposed, there is a small amount of feathering between the ribs, a few streakings of fat in the inside flank muscles, and only very small quantities of overflow fat over the inside of the ribs adjacent to the backbone. The color of lean is slightly dark pink. The exterior finish is moderately firm. However, the muscles of the back are very slightly visible through a slightly thin fat covering and those over the tops of the shoulders and outside of the legs have only a very thin covering of fat. Flanks are slightly full and firm.

(3) Carcasses from more mature lambs that have slightly wide, moderately red rib bones with moderately red, rather dry and hard break joints, have moderately abundant kidney and crotch fat, slightly abundant feathering, a small amount of overflow fat over the

inside of the ribs adjacent to the backbone, a small quantity of fat streakings in the inside flank muscles, and light red color of lean. The external finish is firm and completely obscures the muscles of the back. However, muscles over the top of the shoulders and the outside of the legs are visible through the fat. The flanks are moderately full and firm.

(4) To qualify for the Choice grade a carcass must have the minimum requirements for quality and finish regardless of the extent that conformation may exceed the minimum requirements for Choice. However, if a carcass has quality and finish equivalent to at least the average of the Choice grade, its conformation may be equivalent to average Good and remain eligible for Choice.

(c) *Good.* (1) Carcasses possessing the minimum qualifications for the Good grade are moderately rangy and slightly angular with slightly thin, tapering legs; slightly narrow, thin backs and shoulders; and moderately long, thin necks.

(2) Evidences of quality and finish very moderately with changes in maturity. Carcasses from young lambs that have red, narrow rib bones and red, porous break joints, have a small amount of kidney and crotch fat and kidneys are only partially covered. There is no feathering between the ribs, no overflow fat over the inside of the ribs and no fat streakings in the inside flank muscles; however, the lean is dark pink in color. The exterior finish is slightly soft and the muscles of the back are plainly visible through a very thin fat covering, and those over the tops of the shoulders and outside of the legs are practically devoid of fat. Flanks are moderately thin and soft.

(3) Carcasses from more mature lambs that have slightly wide, moderately red rib bones and moderately red, rather dry and hard break joints, have slightly abundant kidney and crotch fat with kidneys slightly exposed. There is a slight amount of feathering between the ribs, but no overflow fat over the inside of the ribs adjacent to the backbone, practically no streakings of fat in the inside flank muscles, and a slightly dark red color of lean. The exterior finish is moderately firm. However, the muscles of the back are visible through a thin fat covering, and those over the tops of the shoulders and outside of the legs have only a very thin fat covering. Flanks are slightly thin and soft.

(4) A carcass that has conformation equivalent to at least the average of the Good grade may have quality and finish equivalent to high Utility and remain eligible for the Good grade. Also, a carcass that has quality and finish equivalent to at least the average of the Good grade may have conformation equivalent to high Utility and remain eligible for the Good grade.

(d) *Utility.* (1) Carcasses possessing the minimum qualifications for the Utility grade are very rangy and angular with thin, slightly concave legs; very narrow, sunken backs; narrow, sharp shoulders; and long, thin necks. Hips and shoulder joints are plainly visible.

(2) Although evidences of quality and finish vary slightly with changes in maturity, the differences are so small as to

make their separate descriptions impractical. Carcasses have only a small amount of kidney and crotch fat, and the kidneys are nearly entirely exposed. There is practically no other interior fat, and the lean in the inside flank muscles and between the ribs is dark red in color. External finish is soft and is limited to small deposits over the rump and outside of the shoulders and to thin patches over the back. Flanks are soft and slightly watery.

(3) A carcass that has conformation equivalent to at least the average of the Utility grade may have quality and finish equivalent to high Cull and remain eligible for the Utility grade. Also, a carcass that has quality and finish equivalent to the average of the Utility grade may have conformation equivalent to high Cull and remain eligible for the Utility grade.

(e) *Cull.* (1) Typical Cull grade carcasses are extremely rangy and angular and extremely thin fleshed throughout. Legs are extremely thin and concave, backs are extremely sunken and thin, shoulders are very thin and sharp, and necks are extremely thin. Hip and shoulder joints, as well as ribs and bones of the spinal column, are clearly outlined. There are practically no interior or exterior fats, and the flesh is soft and watery and very dark red in color.

§ 53.117 Specifications for official United States standards for grades of yearling mutton carcasses—(a) *Prime.*

(1) Carcasses possessing the minimum qualifications for the Prime grade are compact and blocky, and have plump, full legs; wide, thick backs; wide, full, smooth shoulders; and short, thick necks. They have abundant but not excessive kidney and crotch fat, extensive and abundant feathering, moderately abundant overflow fat over the inside of ribs adjacent to the backbone, numerous streakings of fat in the inside flank muscles, and a light red color of lean. The exterior finish is very firm and uniform and extends over the entire exterior surface except the lower parts of the legs obscuring the muscles of the back, tops of the shoulders, and outside of the legs. The flanks are very full and firm.

(2) To qualify for the Prime grade a carcass must possess the minimum qualifications for quality and finish regardless of the extent that conformation may exceed the minimum requirements for Prime. However, if a carcass has quality and finish equivalent to at least the average of the Prime grade, its conformation may be equivalent to average Choice and remain eligible for the Prime grade.

(b) *Choice.* (1) Carcasses possessing the minimum requirements for the Choice grade are moderately compact with rather short, plump, full legs; moderately wide, full backs; moderately wide, full shoulders; and rather short, thick necks. They have moderately abundant kidney and crotch fat, slightly abundant feathering, slightly abundant overflow fat over the inside of the ribs adjacent to the backbone, a small quantity of fat streakings in the inside flank muscles, and a slightly dark red color of lean. The exterior finish is firm and completely obscures the muscles of the

back; however, muscles on the top of the shoulders and the outside of the legs are visible through the fat. The flanks are moderately full and firm.

(2) Carcasses which are not eligible for the Prime grade because they have bunched or irregular distribution of exterior finish or excessive quantities of interior fat are also included in the Choice grade.

(3) To qualify for the Choice grade a carcass must have the minimum requirements for quality and finish regardless of the extent that conformation may exceed the minimum requirements for Choice. However, if a carcass has quality and finish equivalent to at least the average of the Choice grade, its conformation may be equivalent to average Good and remain eligible for Choice.

(c) *Good.* (1) Carcasses possessing the minimum qualifications for the Good grade are slightly rangy and angular, with slightly thin, tapering legs; slightly narrow, thin backs and shoulders; and slightly long, thin necks. They have slightly abundant kidney and crotch fat, with kidneys slightly exposed. There is a slight amount of feathering between the ribs, only very small quantities of overflow fat over the inside of the ribs adjacent to the backbone, a few streakings of fat in the inside muscles of the flank, and a rather dark red color of lean. The exterior finish is moderately firm; however, the muscles of the back are visible through a thin covering of fat and the tops of the shoulders and outside of the legs have only a very thin fat covering. Flanks are slightly thin and soft.

(2) A carcass which has conformation equivalent to at least the average of the Good grade may have quality and finish equivalent to high Utility and remain eligible for the Good grade. Also, a carcass which has quality and finish equivalent to at least the average of the Good grade may have conformation equivalent to high Utility and remain eligible for the Good grade.

(d) *Utility.* (1) Carcasses possessing the minimum qualifications for the Utility grade are very rangy and angular with thin, slightly concave legs; very narrow, sunken backs; narrow, sharp shoulders; and long, thin necks. Hips and shoulder joints are plainly visible. They have only a small amount of kidney and crotch fat, and the kidneys are nearly entirely exposed. There is practically no other interior fat and the lean in the flanks and between the ribs is dark red in color. External finish is soft and is limited to small deposits over the rump and outside of the shoulders and to thin patches over the back. Flanks are soft and slightly watery.

(2) A carcass which has conformation equivalent to at least the average of the Utility grade may have quality and finish equivalent to high Cull and remain eligible for the Utility grade. Also, a carcass which has quality and finish equivalent to the average of the Utility grade may have conformation equivalent to high Cull and remain eligible for the Utility grade.

(e) *Cull.* (1) Typical Cull grade carcasses are extremely rangy and angular and extremely thin fleshed throughout,

Legs are extremely thin and concave, backs are extremely sunken and thin, shoulders are very thin and sharp, and necks are extremely thin. Hip and shoulder joints, as well as ribs and bones of the spinal column, are clearly outlined. There are practically no interior or exterior fats and the flesh is soft and watery and very dark red in color.

§ 53.118 *Specifications for official United States standards for grades of mutton carcasses—(a) Choice.* (1) Carcasses possessing the minimum qualifications for the Choice grade are moderately compact, with slightly plump, full legs; wide, thick backs; wide, full shoulders; and slightly short, thick necks. They have abundant kidney and crotch fat, moderately abundant feathering between the ribs, moderately abundant overflow fat over the inside of the ribs adjacent to the backbone, numerous fat streakings in the inside flank muscles, and a dark red color of lean. The external finish is firm and moderately uniform and completely obscures the muscles of back and tops of the shoulders; however, the outsides of the legs are visible through a thin covering of fat. Flanks are moderately full and firm.

(2) To qualify for the Choice grade a carcass must have the minimum requirements for quality and finish regardless of the extent that conformation may exceed the minimum requirements for Choice. However, if a carcass has quality and finish equivalent to at least the average of the Choice grade, its conformation may be equivalent to average Good and remain eligible for Choice.

(b) *Good.* (1) Carcasses possessing the minimum qualifications for the Good grade are slightly rangy and angular, with slightly thin, tapering legs; have slightly wide but slightly thin-fleshed backs and shoulders; and slightly long, thin necks. Hip and shoulder joints are visible. They have a moderate amount of kidney and crotch fat but kidneys are completely covered. There is a small amount of feathering between the ribs and a slight amount of overflow fat over the inside of the ribs adjacent to the backbone, a few streakings of fat in the inside flank muscles, and a dark red color of lean. The external finish is moderately firm; however, the muscles of the back are slightly visible through a thin fat covering and the tops of the shoulders and outside of the legs have a very thin fat covering. Flanks are slightly thin and soft.

(2) Carcasses which are not eligible for the Choice grade because they have bunched or irregular distribution of exterior fat or excessive quantities of interior fat are also included in the Good grade.

(3) A carcass which has conformation equivalent to at least the average of the Good grade may have quality and finish equivalent to high Utility and remain eligible for the Good grade. Also, a carcass which has quality and finish equivalent to at least the average of the Good grade may have conformation equivalent to high Utility and remain eligible for the Good grade.

(c) *Utility.* (1) Carcasses possessing the minimum qualifications for the Utility grade are very rangy and angular, with thin, slightly concave legs, very narrow, sunken backs; narrow, sharp shoulders; and very long, thin necks. Hips and shoulder joints are prominent. Such carcasses have only a small amount of kidney and crotch fat and kidneys are nearly entirely exposed. There are practically no other interior fats, and the lean in the inside flank muscles and between the ribs is very dark red in color. External finish is soft and is limited to small deposits over the rump and outside of the shoulders and to thin patches over the back. Flanks are soft and slightly watery.

(2) A carcass which has conformation equivalent to at least the average of the Utility grade may have quality and finish equivalent to high Cull and remain eligible for the Utility grade. Also, a carcass which has quality and finish equivalent to the average of the Utility grade may have conformation equivalent to high Cull and remain eligible for the Utility grade.

(d) *Cull.* (1) Typical Cull grade carcasses are extremely rangy and angular and extremely thin fleshed throughout. Legs are extremely thin and concave, backs are extremely sunken and thin, shoulders are very thin and sharp, and necks are extremely thin. Hip and shoulder joints, as well as ribs and bones of the spinal column, are clearly outlined. There are practically no interior or exterior fats, and the flesh is soft and watery and very dark red in color.

SLAUGHTER LAMBS, YEARLINGS, AND SHEEP

§ 53.130 *Market sheep.* The official standards for market sheep, developed by the United States Department of Agriculture, provide for segregation according to (a) use as slaughter animals or feeders, (b) class or sex condition, (c) age group, and (d) grade, which is determined by the apparent relative excellence and desirability of the individual animal for a particular use.

§ 53.131 *Slaughter classes and market groups.* The classes of slaughter sheep are ram, ewe, and wether; the market or age groups are lamb, yearling, and sheep. Definitions of the respective classes and age groups are as follows:

(a) *Ram.* A ram is an uncastrated male ovine.

(b) *Ewe.* A ewe is a female ovine.

(c) *Wether.* A male ovine castrated when young and prior to developing the secondary physical characteristics of a ram.

(d) *Lamb.* A lamb is an immature ovine, usually under 14 months of age, and has not cut its first pair of permanent teeth.

(e) *Yearling.* A yearling is an ovine between 1 and 2 years of age that has cut its first pair of permanent teeth but has not cut the second pair.

(f) *Sheep.* The term sheep refers to ovines over 24 months of age that have cut their second pair of permanent teeth.

§ 53.132 *Slaughter lamb and sheep grades—(a) Grade factors.* The specific grade of slaughter lambs and sheep is

determined by an evaluation in terms of factors which influence carcass excellence—conformation, finish, and quality.

(1) Conformation refers to the general body proportions of the animal and to the ratio of meat to bone. While primarily determined by the inherent muscular and skeletal system, it is also influenced by degree of fatness. Excellent conformation in slaughter lambs and sheep is denoted by a compact, wide topped, straight lined, thickly fleshed individual that is deep and full in the twist. Fullness and thickness should be especially evident in the portions of the body producing the more desirable cuts of meat—loin, rack, and legs.

(2) Finish refers to the fatness of the animal. The type, quantity, and distribution of finish of the slaughter animal are very closely associated with the palatability and quality of the meat which it will produce. Thus finish becomes the most important single factor affecting the grade of slaughter lambs and sheep. External finish is evidenced by fullness and the apparent thickness of the fat covering over the back, loin, rump, ribs, and legs. A high degree of desirable finish is evidenced by a thick, firm, smooth layer of fat which is uniformly distributed over the body.

(3) Quality in slaughter lambs and sheep refers largely to the refinement of bone and to the smoothness and symmetry of the body. Quality is also closely associated with carcass yield and the proportion of meat to bone. A high degree of quality in slaughter lambs and sheep is denoted by relatively small bones, neat joints, neatly laid in shoulders and hips, smoothness of fleshing, refined, clean cut features about the head, and fine hair on face and legs.

(b) *General principles.* (1) The determination of the carcass grade that the slaughter animal will produce requires the exercising of well regulated judgment. Each animal presents a different combination of the grade determining factors. Animals frequently have characteristics associated with two or more grades. Therefore, a composite evaluation of all the inherent physical characteristics is essential for accuracy in determining grade.

(2) The accurate determination of the grade of a slaughter lamb or sheep requires handling in addition to the visual observations. While the length and density of the fleece varies greatly with individuals, the thickness and firmness of the flesh covering of woolled lamb and sheep can only be roughly estimated without handling. The technique used in handling usually varies with the degree of precision in mind as well as the experience of the grader. Experienced graders may find one quick handling satisfactory. This usually consists of placing one open hand over the back and ribs in a simultaneous motion. The thumb extends just over the backbone while the fingers, which are held close together, cover the rib section and pressure is applied very lightly with a slight lateral and forward and backward motion. The generally accepted technique of handling sheep where time permits and especially when noting slight dif-

ferences between individuals, is to handle forward from the dock to the neck with the open hand, fingers together, laid flat and with a slight lateral motion. Both hands may then be used on each side in a similar manner to determine the fleshing over the shoulders, ribs, and hips. Regardless of the method, considerable experience is necessary in handling lambs or sheep to accurately determine the grade.

(3) The market designation of slaughter lambs and sheep is usually made by classes. However, the standards are intended to apply to all classes. The grade descriptions are considered typical of ewes and wethers while it is recognized that rams, which numerically constitute a minor market class, will have somewhat thicker necks, shoulders, and legs than specified for a given grade.

(4) The descriptions of the physical characteristics of the grades of slaughter lambs and sheep represent the lower limit of each grade. No attempt is made to describe the numerous combinations of grade factors which may meet the minimum requirements for a particular grade. Descriptions are limited largely to animals considered as typical of the lower limits of the grade.

§ 53.133 *Specifications for official United States standards for grades of slaughter lambs*—(a) *Prime*. Lambs possessing the minimum requirements for Prime grade tend to be lowest, compact, thickly fleshed, and short of neck. They tend to be wide over the back, loin, and rump. Shoulders and hips are moderately neat and smoothly laid in. The twist is deep and full, and the legs are large and plump. There is a slight fullness or plumpness evident over the crops, loin, and rump which contributes to a well rounded appearance. Relatively young lambs, under 7 months of age tend to have a slightly thick fat covering over the back, ribs, loin, and rump. In handling, the backbone and ribs are slightly discernible. Older, more mature lambs have a moderately thick fat covering over the back, loin, and rump. In handling, the backbone and ribs are not readily discernible. Prime lambs exhibit evidences of high quality. The bones tend to be proportionately small, joints smooth, the finish evenly distributed, and the body trim, smooth, and symmetrical.

(b) *Choice*. Lambs possessing the minimum requirements for Choice grade are slightly compact, thick fleshed, and slightly short of neck. They are slightly wide over the back, loin, and rump. The shoulders and hips are usually moderately neat and smoothly laid in but may exhibit a slight tendency toward prominence. The twist is slightly deep and full, and the legs slightly thick and plump. Relatively young lambs, under 7 months of age, have a moderately thin fat covering over the back, ribs, loin, and rump. In handling, the backbone and ribs are slightly prominent. Older, more mature lambs tend to have a slightly thick fat covering over the back, ribs, loin, and rump. In handling, the backbone and ribs are slightly discernible. Choice lambs usually present a moderately refined appearance.

(c) *Good*. Lambs possessing the minimum requirements for Good grade are moderately rangy, upstanding, long and thin of neck, and moderately thin fleshed. They are slightly narrow over the back, loin, and rump. Hips and shoulders are moderately prominent. The twist is slightly shallow and the legs slightly small and thin. Relatively young lambs, under 7 months of age, have a very thin, uneven fat covering over the back, loin, and upper ribs. In handling, the shoulders, backbone, hips, and ribs are prominent. Older, more mature lambs have a thin fat covering over the back, ribs, and loin. In handling, the bones of the shoulders, backbone, hips, and ribs are rather prominent. Lambs of this grade may present evidences of slightly low quality. The bones and joints are usually moderately large, and the body somewhat lacking in symmetry and smoothness.

(d) *Utility*. Lambs meeting the minimum requirements for Utility grade are very rangy, angular, and long and thin of neck. They are very thinly fleshed, narrow over the back, loin, and rump and shallow in the twist. The hips are very prominent and the shoulders are usually open, rough, and prominent. The legs are very small and thin, and present a slightly concave appearance. Regardless of age, Utility lambs show no visible evidence of fat covering. In handling, bones of the shoulders, backbone, hips, and ribs are very prominent. Utility grade lambs are of rather low quality. The bones and joints are proportionately large and the body is very rough and unsymmetrical.

(e) *Cull*. Typical Cull grade lambs are extremely rangy, angular, long and thin of neck, thin fleshed, and extremely narrow and shallow bodied. Shoulders and hips are very prominent. The legs are extremely small and thin, and present a very concave appearance. In handling, the bones of the shoulders, backbone, hips, and ribs are extremely prominent and the entire bony framework is very evident. The general appearance is that of low quality. The relative proportion of meat to bone is quite low, joints appear large, and the body is very unsymmetrical.

§ 53.134 *Specifications for official United States standards for grades of slaughter yearlings and sheep*—(a) *Prime*. (1) Slaughter sheep beyond the yearling stage are not eligible for the Prime grade.

(2) Yearling sheep possessing the minimum requirements for Prime grade are low set, compact, thickly fleshed, and short of neck. They are wide over the back, loin, and rump. Shoulders and hips are moderately neat and smoothly laid in. The twist is deep and full, and the legs are large and plump. There is a distinct fullness or plumpness evident over the crops, loins, and rump which contributes to a well rounded appearance. There is a thick but very smooth fat covering over the back, ribs, loin, and rump, and in handling the backbone and ribs are not discernible. Prime slaughter sheep exhibit evidences of high quality. The bones tend to be proportionately small, joints smooth, the finish

evenly distributed, and the body trim, smooth, and symmetrical.

(b) *Choice*. Slaughter sheep possessing the minimum requirements for Choice grade are moderately compact, thickly fleshed, and short of neck. They are moderately wide over the back, loin, and rump. The shoulders and hips are usually moderately neat and smoothly laid in but may show a slight tendency toward prominence. The twist is moderately deep and full, and the legs rather thick and plump. Yearling sheep have a slightly thick fat covering over the back, ribs, loin, and rump and in handling, the backbone and ribs are only slightly discernible. Mature sheep have a moderately thick but very smooth fat covering over the back, ribs, bones, and rump and in handling, the backbone and ribs are hardly discernible. Choice slaughter sheep usually present a moderately refined appearance.

(c) *Good*. Slaughter sheep possessing the minimum requirements for Good grade are slightly rangy, upstanding, long and thin of neck, and slightly thin fleshed. They are slightly narrow over the back, loin, and rump. Hips and shoulders are moderately prominent. The twist is slightly shallow and the legs slightly small and thin. Yearling sheep tend to have a thin fat covering over the back, loin, and upper ribs. In handling, the shoulder, backbone, hips, and ribs are rather prominent. Mature sheep have a moderately thin fat covering over the back, ribs, and loin. In handling, the bones of the shoulders, backbone, hips, and ribs are slightly prominent. Sheep of this grade may present evidences of slightly low quality. The bones and joints are usually moderately large, and the body somewhat lacking in symmetry and smoothness.

(d) *Utility*. Slaughter sheep meeting the minimum requirements for Utility grade are very rangy, angular, and long and thin of neck. They are very thinly fleshed, narrow over the back, loin, and rump and shallow in the twist. The hips are very prominent and the shoulders are usually open, rough, and prominent. The legs are very small, thin, and present a slightly concave appearance. Regardless of age, Utility grade slaughter sheep show no visible evidences of fat covering. In handling, the bones of the shoulders, backbone, hips, and ribs are so thinly covered that they are very prominent. Utility grade slaughter sheep are of rather low quality. The bones and joints are proportionately large and the body is very rough and unsymmetrical.

(e) *Cull*. Typical Cull grade sheep are extremely rangy, angular, long and thin of neck, thin fleshed, and extremely narrow and shallow bodied. Shoulders and hips are very prominent. The legs are extremely small and thin, and present a very concave appearance. In handling, the bones of the shoulders, backbone, hips, and ribs are extremely prominent and the entire bony framework is very evident. The general appearance is that of low quality. The relative proportion of meat to bone is quite low, joints appear large, and the body is very unsymmetrical.

RULES AND REGULATIONS

The definitions for lamb, yearling mutton, and mutton carcasses appearing in 7 CFR 53.101 (c), (d), and (e), respectively, are hereby deleted.

The foregoing revision combines the existing carcass grades of Prime and Choice into one grade designated as Prime, redesignates as Choice the existing Good grade, which shall constitute the highest grade for which mutton carcasses beyond the yearling stage are eligible, designates as Good the top two-thirds of the existing Commercial grade, combines the lower one-third of the existing Commercial grade with the top two-thirds of the existing U. S. Utility grade into one grade designated as Utility, and combines the remaining lower one-third of the existing Utility grade with the existing Cull grade into one grade designated as Cull.

Relevant changes in the specifications are made to reflect the minimum requirements for the respective grades and to clarify the different grade requirements for varying degrees of maturity.

Grade standards for slaughter lambs, yearlings, and sheep are established to conform fully with the respective carcass standards.

Other changes of a minor nature are made for the purpose of facilitating interpretation of the standards.

This order shall become effective on April 30, 1951, and on said date the foregoing revision of the standards for lamb and mutton carcasses shall supersede the standards now appearing in 7 CFR 53.114-53.117.

Done at Washington, D. C., this 29th day of March 1951.

[SEAL] CHARLES F. BRANNAN,
Secretary of Agriculture.

[F. R. Doc. 51-3941; Filed, Mar. 30, 1951;
8:54 a. m.]

Chapter VIII—Production and Marketing Administration (Sugar Branch), Department of Agriculture

Subchapter H—Determination of Wage Rates [Sugar Determination 862.3]

PART 862—SUGAR BEETS; REGIONS OTHER THAN STATE OF CALIFORNIA, SOUTHWEST- ERN ARIZONA, AND SOUTHERN OREGON

1951 CROP

Pursuant to the provisions of section 301 (c) (1) of the Sugar Act of 1948 (herein referred to as "act"), after investigation, and consideration of the evidence obtained at the public hearing held in several cities in the sugar beet area during January 1951, the following determination is hereby issued:

§ 862.3 *Fair and reasonable wage rates for persons employed in the production, cultivation, or harvesting of the 1951 crop of sugar beets in regions other than the State of California, southwestern Arizona, and southern Oregon—(a) Requirements.* The requirements of section 301 (c) (1) of the act shall be deemed to have been met with respect to the production, cultivation, or harvesting of the 1951 crop of sugar beets in regions other than the State of California, southwestern Arizona, and southern Oregon if the producer complies with the following:

(1) *Wage rates.* All persons employed on the farm, or part of the farm covered by a separate labor agreement, shall have been paid in full for all such work and shall have been paid wages in cash therefor at rates as agreed upon

between the producer and the laborer but, after the beginning of work on the 1951 crop or the date of issuance of this determination whichever is later, not less than the following:

(i) *For work performed on a time basis.* (a) Thinning, hoeing, or weeding: 60 cents per hour.

(b) Pulling, topping, or loading: 65 cents per hour.

(c) For workers between 14 and 16 years of age the rates in (a) and (b) of this subdivision may be reduced by not more than one-third. Maximum employment for such workers, without deduction from payments under the act to the producer, is 8 hours per day.

(ii) *For work performed on a piecework basis.* (a) 1951 basic piecework rates per acre for thinning, hoeing, and weeding by wage districts:

	I		II		III	IV		V	VI
	Michigan, Ohio, Indiana, Wisconsin, Illinois,		(A) Northwestern Minnesota, North Dakota	(B) Southern Minnesota, Iowa	Nebraska, Colorado, Kansas, South Dakota, southeastern and eastern Wyoming, east-central Utah, New Mexico, Texas	(A) Northern Wyoming, western North Dakota, Montana (except western)	(B) Western Montana	Southern and eastern Idaho, Utah (except eastern-central), northern Nevada	Western Idaho, Oregon (except southern), Washington
Operations									
Thinning									
Hoe and finger thinning fields planted with segmented seed:									
Without machine blocking	\$13.00	\$13.00	\$13.00	\$14.00	\$13.50	\$14.50	\$13.50	\$13.00	\$13.00
With machine blocking	11.00	10.00	11.00		10.50	11.50	10.50	10.00	10.00
Hoe-thinning, no finger thinning (any type seed)	9.00	8.00	9.00		8.50	9.50	8.50	8.00	8.00
Hoeing and weeding (any type seed)									
First hoeing following hoe and finger thinning	4.50	5.00	5.00		5.50	6.00	6.00	5.00	7.00
First hoeing following hoe-thinning, no finger thinning	5.50	6.00	6.00		6.50	7.00	7.00	6.00	8.00
Second and each subsequent hoeing or weeding	3.00	3.50	4.00		4.00	4.50	5.50	4.00	6.00

Thinning fields planted with natural whole seed. The basic piecework rate for hoe and finger thinning fields planted with natural whole seed shall be \$2.00 more per acre than the rates specified for hoe and finger thinning fields planted with segmented seed.

Wide row planting. The above thinning, hoeing and weeding rates may be reduced by not more than the indicated percentages for the following row spacings: 28 inches or more but less than 31 inches, 20 percent; 31 inches or more but less than 34 inches, 25 percent; 34 inches or more, 30 percent.

Cross cultivation. In an instance where cross cultivation is performed prior to hoeing or weeding, the specified first hoeing rate may be reduced not in excess of \$1.00 per acre, and the specified subsequent hoeing or weeding rate may be reduced not in excess of 50 cents per acre.

Combined operations. Where a written agreement provides for a combined rate for "summer work", the rate for such work regardless of the number of hoeings or weedings required, shall be the sum of the applicable thinning, hoeing, and weeding rates specified above.

EXPLANATIONS

Hoe and finger thinning. Consists of removing excess beet plants from rows by use of a hoe in combination with finger work.

Segmented seed. Includes seed which has been sheared or which has been graded to pass through a $\frac{1}{16}$ inch screen, with size variations not in excess of $\frac{1}{16}$ inch.

Machine blocking. The rate for hoe and finger thinning machine blocked fields is applicable where the beets have been machine blocked before the plants have passed the 8-leaf stage; where the blocks have not been covered with dirt; and where the blocks are not larger than 4" by 6"; otherwise the "without machine blocking" rate applies.

Hoe-thinning, no finger thinning. Applicable where the producer does not require the worker to finger thin because of machine blocking; machine thinning, low rate of seeding or other labor saving practice.

(b) 1951 basic piecework rates per ton for pulling, topping, and loading by wage districts:

	I	II		III	IV		V	VI
	Michigan, Ohio, Indiana, Illinois, Wisconsin	(A) Northwestern Minnesota, eastern North Dakota	(B) Southern Minnesota, Iowa	Nebraska, Colorado, Kansas, South Dakota, southeastern and eastern Wyoming, east-central Utah, New Mexico, Texas	Montana, northern Wyoming, western North Dakota		Southern and eastern Idaho, Utah (except east-central), northern Nevada	Western Idaho, Oregon (except southern), Washington
	Pull and top	Pull and top		Pull and top	Pull and top	Pull, top and load	Pull, top and load	Pull, top and load
4.....	\$2.30	\$1.80	\$1.80	\$2.05	\$2.05	\$2.45	\$2.30	\$2.15
5.....	2.15	1.75	1.75	1.95	1.95	2.32	2.20	2.05
6.....	2.00	1.70	1.70	1.85	1.85	2.20	2.10	2.00
7.....	1.90	1.65	1.65	1.80	1.80	2.14	2.05	1.95
8.....	1.80	1.65	1.60	1.75	1.75	2.08	2.00	1.90
9.....	1.75	1.65	1.55	1.70	1.70	2.02	1.95	1.85
10.....	1.71	1.65	1.50	1.65	1.65	1.96	1.90	1.80
11.....	1.67	1.65	1.45	1.60	1.60	1.90	1.85	1.75
12.....	1.64	1.65	1.40	1.55	1.55	1.84	1.80	1.72
13.....	1.61	1.65	1.40	1.52	1.52	1.80	1.75	1.69
14.....	1.59	1.65	1.40	1.49	1.49	1.77	1.72	1.67
15.....	1.57	1.65	1.40	1.46	1.46	1.73	1.70	1.65
16.....	1.55	1.65	1.40	1.43	1.43	1.70	1.69	1.63
17.....	1.55	1.65	1.40	1.41	1.41	1.67	1.68	1.61
18.....	1.55	1.65	1.40	1.39	1.39	1.65	1.67	1.59
19.....	1.55	1.65	1.40	1.37	1.37	1.62	1.66	1.57
20 and over.....	1.55	1.65	1.40	1.35	1.35	1.60	1.65	1.55
Minimum wage per acre								
	\$9.20	\$7.20	\$7.20	\$8.20	\$8.20	\$9.80	\$9.20	\$8.60

Breakdown of pulling and topping rate. In instances in which the operations of pulling and topping are performed by different workers, the above applicable pulling and topping rate shall be divided 35 percent for pulling and 65 percent for topping.

Breakdown of topping and loading rate. Where loading is not required of the worker who does the pulling and topping, the rate for pulling and topping shall be 70 percent of the applicable combined rate for pulling, topping and loading; except, that if the beets are to be loaded mechanically and the topper is not required to pull beets to provide a place for a windrow, the rate for pulling and topping shall be as agreed upon, but not less than 60 percent of the applicable combined rate for pulling, topping and loading.

Combined rate for pulling, topping and loading. In the east-central Utah region of Wage District III if the worker who performs the pulling and topping is also required to perform hand loading the applicable combined rate for pulling, topping, and loading shall be 30 percent more than the rate specified for pulling and topping only.

(iii) **Work not covered by specific rates.** For any work in the production, cultivation, or harvesting of sugar beets for which a time or piecework rate is not specified in this paragraph, such as fertilizing, plowing, preparing seedbed, irrigating, or work in connection with mechanical harvesting, the rate shall be as agreed upon between the producer and laborer.

(2) **Perquisites.** In addition to the foregoing, the producer shall furnish to the laborer, without charge, the perquisites customarily furnished by him, such as housing, garden plot, and similar items.

(b) **Subterfuge.** The producer shall not reduce the wage rates to laborers below those determined in this section through any subterfuge or device whatever.

(c) **Claim for unpaid wages.** Any person who believes he has not been paid in accordance with this determination may file a wage claim with the local County Production and Marketing Administration Committee against the producer on whose farm the work was performed. Such claim must be filed within two years from the date the work with respect to which the claim is made was performed. Detailed instructions and wage claim forms are available at the office of the local County Production and Marketing Administration Committee. Upon re-

ceipt of a wage claim the County Production and Marketing Administration Committee shall thereupon notify the producer against whom the claim is made concerning the representation made by the laborer, and, after making such investigation as it deems necessary, notify the producer and laborer in writing of its recommendation for settlement of the claim. If either party is not satisfied with the recommended settlement, an appeal may be made to the State Production and Marketing Administration Committee of the State in which is located the farm where the work was performed. The address of the State Committee will be furnished by the office of the local County Committee. Upon receipt of the appeal the State Production and Marketing Administration Committee shall likewise consider the facts and notify the producer and laborer in writing of its recommendation for settlement of the claim. If the recommendation of the State Committee is not acceptable, either party may file an appeal with the Director of the Sugar Branch, Production and Marketing Administration, U. S. Department of Agriculture, Washington 25, D. C. All such appeals shall be filed within 15 days after receipt of the recommended settlement of the respective committee, otherwise such recommended settlements will be applied in making payments under the act. If a claim is

appealed to the Director of the Sugar Branch, his decision shall be binding on all parties insofar as payments under the Act are concerned.

STATEMENT OF BASES AND CONSIDERATIONS

(a) **General.** The foregoing determination provides fair and reasonable wage rates to be paid by producers to persons employed in the production, cultivation, or harvesting of the 1951 crop of sugar beets in regions other than the State of California, southwestern Arizona, and southern Oregon. It prescribes the minimum requirements with respect to wages which must be met as one of the conditions for payment under the act. In this statement the foregoing determination, as well as determinations for prior years, will be referred to as "wage determination", identified by the crop year for which effective.

(b) **Requirements of the act and standards employed.** In determining fair and reasonable wage rates, the act requires that a public hearing be held, that investigations be made, and that consideration be given to (1) the standards formerly established by the Secretary of Agriculture under the Agricultural Adjustment Act, as amended, and (2) the differences in conditions among various sugar producing areas.

A public hearing was held in Detroit, Michigan; Billings, Montana; St. Paul, Minnesota; Salt Lake City, Utah; and Greeley, Colorado, during the period January 3 through January 12, 1951, at which interested persons presented testimony with respect to fair and reasonable wage rates for work on the 1951 crop of sugar beets in regions other than the State of California, southwestern Arizona and southern Oregon. In addition, investigations have been made of the conditions affecting such wage rates. In this determination consideration has been given to testimony presented at the hearings and to the information resulting from investigations. The primary factors which have been considered are (1) prices of sugar and byproducts; (2) income from sugar beets; (3) cost of production; (4) cost of living; and (5) relationship of labor cost to total cost. Other economic influences also have been considered.

(c) **Background.** The first determination of fair and reasonable wage rates for sugar beet work was applicable to the harvest of the 1937 crop. Wage determinations have been issued for persons employed in the production, cultivation and harvesting of each subsequent crop. In the wage determinations specific rates have not been provided for work other than hand labor operations of blocking and thinning, hoeing, weeding, pulling, topping and loading. The rates approved for other work on the farm have been those agreed to by the producer and the worker.

In the early determinations the levels of wage rates were based primarily on the relationship of wages per acre for contract labor to the gross income from sugar beets per acre with appropriate adjustment for increased producer income and changes in production and living costs. In conformity with the general practice in the industry piece-

work rates were established on a per acre basis for blocking and thinning, hoeing, and weeding, and on a per ton basis for harvesting. Since 1940 this basic wage structure has been continued in the wage determination and in addition, there have been provided alternative hourly rates and additional piecework rates as required by changed methods of production, particularly changes arising from the mechanization of various operations.

In the 1950 wage determination the supplemental wage payment for the completion of harvesting work, theretofore a part of the 1948 and 1949 wage determinations, was eliminated and the amount of the payment distributed among the preharvest operations. Minor adjustments also were made in the 1950 wage determination which affected the application of certain rates.

(d) *1951 wage determination.* The 1951 wage determination changes the 1950 wage determination in the following respects: (1) The total piecework wage per acre for cultivation and harvesting operations is increased about 4.5 percent although this percentage increase is not applied uniformly to all operations; (2) separate piecework rates are provided for the area of northwestern Minnesota and eastern North Dakota; and (3) provision is made for a combined rate for topping and loading in the east central Utah region of Wage District III. Basic time wage rates remain the same as in the 1950 wage determination.

The wage increases provided in the 1951 wage determination are made in an effort to raise the earnings level of workers employed on a piecework basis for certain operations where the earnings of workers have been relatively low. In making the wage changes the Department had available studies of worker performance pertaining to the most recent sugar beet crops. These studies indicate that man-hour requirements for particular operations in some areas have been such that workers of average ability, working under average crop and field conditions, did not come within the anticipated earnings range of 70 to 80 cents per hour for nonharvest work and 80 to 90 cents per hour for harvest work to which the piecework rates of recent wage determinations have been geared.

An examination has been made of the factors customarily considered in wage determinations. This examination indicates that increases in prices paid for food and clothing and for commodities used in production have affected workers and producers in about equal proportion. The income level of producers for the 1951 crop is expected to equal or exceed returns for the 1950 crop. In making this determination the Department also had available data on the costs, returns, and profits of producing sugar beets. These data were restated in terms of conditions which are known or likely to prevail for the 1951 crop. The analysis shows that the wage increases made in this determination are within the producers' ability to pay.

The division of Wage District II into two regions was based on the recommendations of producer representatives at the hearings. These representatives

contended that conditions between the two regions were sufficiently different to justify a redistribution of the total wage per acre. In addition to providing different rates for the several cultivation operations, a flat rate per ton for harvesting at yield levels of 7 or more tons per acre has been provided for the northwestern Minnesota and eastern North Dakota region.

A provision has been inserted in the determination which specifies a combined rate for the operations of topping and loading in the east central Utah region of Wage District III. Harvesting practices in this region are similar to practices followed in Wage District V where a combined topping and loading rate has been provided.

At the public hearing producers, generally, recommended no increase in wage rates for 1951 but did recommend certain adjustments among the several rates provided. Representatives of labor recommended rate increases in varying amounts. The wage increases provided in this determination follow, insofar as is consistent with the applicable standards, the patterns of recommendations made at the public hearings. Producer representatives in certain districts recommended the adoption of a quality-of-work scale applicable to the thinning of sugar beets. This recommendation has not been adopted in this wage determination since it is believed that control over the quality of work performed by a worker is primarily a function of the producer-worker relationship.

After full consideration of all information available, the rates provided in this determination are deemed to be fair and reasonable.

Accordingly, I hereby find and conclude that the foregoing wage determination will effectuate the wage provisions of the Sugar Act of 1948.

(Sec. 403, 61 Stat. 932; 7 U. S. C. Sup. 1153. Interprets or applies sec. 301, 61 Stat. 929; 7 U. S. C. Sup. 1131)

Issued this 28th day of March 1951.

[SEAL] CHARLES F. BRANNAN,
Secretary of Agriculture.

[F. R. Doc. 51-3899; Filed, Mar. 30, 1951;
8:48 a. m.]

Chapter IX—Production and Marketing Administration (Marketing Agreement and Orders), Department of Agriculture

[Lemon Reg. 376]

PART 953—LEMONS GROWN IN CALIFORNIA AND ARIZONA

LIMITATION OF SHIPMENTS

§ 953.483 *Lemon Regulation 376—(a) Findings.* (1) Pursuant to the marketing agreement, as amended, and Order No. 53, as amended (7 CFR Part 953; 14 F. R. 3612), regulating the handling of lemons grown in the State of California or in the State of Arizona, effective under the applicable provisions of the Agricultural Marketing Agreement Act of 1937, as amended (7 U. S. C. 601 et seq.),

and upon the basis of the recommendation and information submitted by the Lemon Administrative Committee, established under the said amended marketing agreement and order, and upon other available information, it is hereby found that the limitation of the quantity of such lemons which may be handled, as hereinafter provided, will tend to effectuate the declared policy of the act.

(2) It is hereby further found that it is impracticable and contrary to the public interest to give preliminary notice, engage in public rule-making procedure, and postpone the effective date of this section until 30 days after publication thereof in the FEDERAL REGISTER (60 Stat. 237; 5 U. S. C. 1001 et seq.) because the time intervening between the date when information upon which this section is based became available and the time when this section must become effective in order to effectuate the declared policy of the act is insufficient, and a reasonable time is permitted, under the circumstances, for preparation for such effective time; and good cause exists for making the provisions hereof effective as hereinafter set forth. Shipments of lemons, grown in the State of California or in the State of Arizona, are currently subject to regulation pursuant to said amended marketing agreement and order; the recommendation and supporting information for regulation during the period specified herein was promptly submitted to the Department after an open meeting of the Lemon Administrative Committee on March 28, 1951, such meeting was held, after giving due notice thereof to consider recommendations for regulation, and interested persons were afforded an opportunity to submit their views at this meeting; the provisions of this section, including its effective time, are identical with the aforesaid recommendation of the committee, and information concerning such provisions and effective time has been disseminated among handlers of such lemons; it is necessary, in order to effectuate the declared policy of the act, to make this section effective during the period hereinafter specified; and compliance with this section will not require any special preparation on the part of persons subject thereto which cannot be completed by the effective time thereof.

(b) *Order.* (1) The quantity of lemons grown in the State of California or in the State of Arizona which may be handled during the period beginning at 12:01 a. m., P. s. t., April 1, 1951, and ending at 12:01 a. m., P. s. t., April 8, 1951, is hereby fixed as follows:

(i) District 1: Unlimited movement;
(ii) District 2: 300 carloads;
(iii) District 3: Unlimited movement.
(2) The prorated base of each handler who has made application therefor, as provided in the said amended marketing agreement and order, is hereby fixed in accordance with the prorated base schedule which is attached to Lemon Regulation No. 375 (16 F. R. 2649), and made a part hereof by this reference.

(3) As used in this section, "handler," "handler," "carloads," "prorate base," "District 1," "District 2," and "District 3," shall have the same meaning as when

used in the said amended marketing agreement and order.

(Sec. 5, 49 Stat. 753, as amended; 7 U. S. C. and Sup., 608c)

Done at Washington, D. C., this 29th day of March 1951.

[SEAL] S. R. SMITH,
Director, Fruit and Vegetable
Branch, Production and Mar-
keting Administration.

[F. R. Doc. 51-3973; Filed, Mar. 30, 1951;
9:06 a. m.]

PART 988—MILK IN KNOXVILLE, TENN., MARKETING AREA

MINIMUM PRICES

Pursuant to the applicable provisions of the Agricultural Marketing Agreement Act of 1937, as amended (7 U. S. C. 601 et seq.), hereinafter referred to as the "act," and of the order, as amended, (7 CFR Part 988) regulating the handling of milk in the Knoxville, Tennessee, marketing area, hereinafter referred to as the "order," it is hereby found and determined that:

(a) The following provisions of § 988.5 (b) (1) of the order no longer tend to effectuate the declared policy of the act: "through March; \$1.10 for the delivery periods of April."

(b) Notice of proposed rule making, public procedure thereon, and 30 days' prior notice of the effective date hereof are found to be impracticable, unnecessary, and contrary to the public interest in that (1) it is necessary to issue immediately and make effective not later than April 1, 1951, this suspension order to reflect current marketing conditions and to facilitate, promote, and maintain the orderly marketing of milk produced for the Knoxville, Tennessee, marketing area; (2) a decline in the Class I price differential of 20 cents per hundred-weight April 1 threatens to cause market dislocations and lead to increased and acute shortages of producer milk; (3) recent statistics for this market indicate a continued upward trend in Class I sales and a decreasing annual level of milk production; (4) this suspension order does not require of persons affected substantial or extensive preparation prior to the effective date; and (5) the time intervening between the date of issuance of this suspension and its effective date affords persons affected a reasonable time to prepare for its effective date.

It is therefore ordered, That the following provisions of § 988.5 (b) (1) be and hereby are suspended effective at 12:01 a. m., e. s. t., April 1, 1951: "through March; \$1.10 for the delivery periods of April."

(Sec. 5, 49 Stat. 753, as amended; 7 U. S. C. 608c)

Done at Washington, D. C., this 28th day of March 1951.

[SEAL] CHARLES F. BRANNAN,
Secretary of Agriculture.

[F. R. Doc. 51-3905; Filed, Mar. 30, 1951;
8:10 a. m.]

[Orange Reg. 365]

PART 966—ORANGES GROWN IN CALIFORNIA OR IN ARIZONA

LIMITATION OF SHIPMENTS

§ 966.511 *Orange Regulation 365—*
(a) *Findings.* (1) Pursuant to the provisions of Order No. 66, as amended (7 CFR Part 966; 14 F. R. 3614), regulating the handling of oranges grown in the State of California or in the State of Arizona, effective under the applicable provisions of the Agricultural Marketing Agreement Act of 1937, as amended (7 U. S. C. 601 et seq.), and upon the basis of the recommendation and information submitted by the Orange Administrative Committee, established under the said amended order, and upon other available information, it is hereby found that the limitation of the quantity of such oranges which may be handled, as hereinafter provided, will tend to effectuate the declared policy of the act.

(2) It is hereby further found that it is impracticable and contrary to the public interest to give preliminary notice, engage in public rule-making procedure, and postpone the effective date of this section until 30 days after publication thereof in the FEDERAL REGISTER (60 Stat. 237; 5 U. S. C. 1001 et seq.) because the time intervening between the date when information upon which this section is based became available and the time when this section must become effective in order to effectuate the declared policy of the act is insufficient, and a reasonable time is permitted, under the circumstances, for preparation for such effective time; and good cause exists for making the provisions hereof effective as hereinafter set forth. Shipments of oranges, grown in the State of California or in the State of Arizona, are currently subject to regulation pursuant to said amended order; the recommendation and supporting information for regulation during the period specified herein was promptly submitted to the Department after an open meeting of the Orange Administrative Committee on March 29, 1951, such meeting was held, after giving due notice thereof to consider recommendations for regulation, and interested persons were afforded an opportunity to submit their views at this meeting; the provisions of this section, including its effective time, are identical with the aforesaid recommendation of the committee, and information concerning such provisions and effective time has been disseminated among handlers of such oranges; it is necessary, in order to effectuate the declared policy of the act, to make this section effective during the period hereinafter specified; and compliance with this section will not require any special preparation on the part of persons subject thereto which cannot be completed by the effective time thereof.

(b) *Order.* (1) The quantity of oranges grown in the State of California or in the State of Arizona which may be handled during the period beginning 12:01 a. m., P. s. t., April 1, 1951, and ending at 12:01 a. m., P. s. t., April 8, 1951, is hereby fixed as follows:

(i) *Valencia oranges.* (a) Prorate District No. 1: No movement;

(b) Prorate District No. 2: No movement;

(c) Prorate District No. 3: 90 carloads;

(d) Prorate District No. 4: No movement.

(ii) *Oranges other than Valencia oranges.* (a) Prorate District No. 1: Unlimited movement;

(b) Prorate District No. 2: 1,300 carloads;

(c) Prorate District No. 3: Unlimited movement;

(d) Prorate District No. 4: Unlimited movement.

(2) The prorate base of each handler who has made application therefor, as provided in the said amended order, is hereby fixed in accordance with the prorate base schedule which is attached hereto and made a part hereof by this reference.

(3) As used in this section "handler," "varieties," "carloads," and "prorate base" shall have the same meaning as when used in the said amended order; and the terms "Prorate District No. 1," "Prorate District No. 2," "Prorate District No. 3," and "Prorate District No. 4" shall each have the same meaning as given to the respective terms in § 966.107, as amended (15 F. R. 8712), of the current rules and regulations (7 CFR 966.103 et seq.), as amended (15 F. R. 8712).

(Sec. 5, 49 Stat. 753, as amended; 7 U. S. C. and Sup. 608c)

Done at Washington, D. C., this 30th day of March 1951.

[SEAL] S. R. SMITH,
Director, Fruit and Vegetable
Branch, Production and Mar-
keting Administration.

PRORATE BASE SCHEDULE

[12:01 a. m., P. s. t., Apr. 1, 1951, to 12:01 a. m., P. s. t., Apr. 8, 1951]

VALENCIA ORANGES

Prorate District No. 3

Handler	Prorate base (percent)
Total	100.0000
A. F. G. Vernon	.1495
Allen & Allen Citrus Packing Co.	1.2645
Consolidated Citrus Growers	11.6680
McKellips Citrus Co., Inc.	8.8346
Phoenix, Citrus Co., Inc.	1.6293
Arizona Citrus Growers	12.6403
Chandler Heights Citrus Growers	2.4476
Desert Citrus Growers Co.	5.5229
Mesa Citrus Growers	13.6010
Tempe Citrus Co.	2.3708
Imperial Valley Grapefruit Growers Association	.8146
Redlands Heights Groves	.0414
Southern Citrus Association	1.7457
United Citrus Growers	1.2051
Yuma Mesa Fruit Growers Association	5.6760
Leppla-Henry Produce Co.	9.2538
Maricopa Citrus Co.	1.1930
Pioneer Fruit Co.	5.9296
Clark & Sons Produce Co., J. H.	.3905
Commercial Citrus Packing Co.	1.2767
Hi Jolly Citrus Packing House	.4653
Hill Packing House, Fred A.	.1783
Ishikawa, Paul	.0623
Macchiaroli Fruit Co., James	.7925
Mattingly, Charles A.	.3416
Orange Belt Fruit Distributors	1.9273
Panno Fruit Co., Carlo	.4155
Paramount Citrus Association, Inc.	.0332

RULES AND REGULATIONS

PRORATE BASE SCHEDULE—Continued

VALENCIA ORANGES—continued

Prorate District No. 3—Continued

Handler	Prorate base (percent)
Potato House, The	0.2729
Russo Bros.	1.6229
Sharp Co., K. K.	.2829
Sunny Valley Citrus Packing Co.	2.6645
Terracciano Fruit Co.	.3090
Valley Citrus Packing Co.	2.9713

ALL ORANGES OTHER THAN VALENCIA ORANGES

Prorate District No. 2

Total	100.0000
A. F. G. Alta Loma	.2540
A. F. G. Corona	.2250
A. F. G. Fullerton	.0000
A. F. G. Orange	.0000
A. F. G. Riverside	.6290
A. F. G. Santa Paula	.0446
Eadington Fruit Co., Inc.	.1724
Hazeltine Packing Co.	.1219
Krinar Packing Co.	1.6227
Placentia Cooperative Orange Association	.7032
Placentia Pioneer Valencia Growers Association	.0591
Signal Fruit Association	.6849
Azusa Citrus Association	1.8025
Covina Citrus Association	2.3645
Covina Orange Growers Association	.7332
Damerel-Allison Co.	1.4653
Glendora Citrus Association	1.7986
Glendora Mutual Citrus Association	.8047
Puente Mutual Citrus Association	.0557
Valencia Heights Orchard Association	.2589
Gold Buckle Association	2.8935
La Verne Orange Association	4.4783
Anaheim Valencia Orange Association	.0000
Fullerton Mutual Orange Association	.0000
La Habra Citrus Association	.0000
Yorba Linda Citrus Association, The	.0000
Escondido Orange Association	.0000
Alta Loma Heights Citrus Association	.3477
Citrus Fruit Growers	.9699
Etiwanda Citrus Fruit Association	.1679
Mountain View Fruit Association	.1271
Old Baldy Citrus Association	.4454
Rialto Heights Orange Growers	.3030
Upland Citrus Association	2.6761
Upland Heights Orange Association	1.4803
Consolidated Orange Growers	.0000
Garden Grove Citrus Association	.0296
Goldenwest Citrus Association, The	.0000
Olive Heights Citrus Association	.0000
Santiago Orange Growers, Association	.0000
Villa Park Orchards Association, The	.0000
Bradford Bros., Inc.	.0000
Placentia Mutual Orange Association	.0000
Placentia Orange Growers Association	.0000
Yorba Orange Growers Association	.0000
Call Ranch	.7934
Corona Citrus Association	.9694
Jameson Co.	.5405
Orange Heights Orange Association	2.5107
Crafton Orange Growers Association	1.0638
East Highlands Citrus Association	.3213
Redlands Heights Groves	.7054
Redlands Orangedale Association	.8973
Rialto-Fontana Citrus Association	.4711
Break & Son, Allen	.1793
Bryn Mawr Fruit Growers Association	.6832
Mission Citrus Association	.7539
Redlands Cooperative Fruit Association	1.3533

PRORATE BASE SCHEDULE—Continued

ALL ORANGES OTHER THAN VALENCIA ORANGES—continued

Prorate District No. 2—Continued

Handler	Prorate base (percent)
Redlands Orange Growers Association	1.0198
Redlands Select Groves	.4029
Rialto Orange Co.	.4539
Southern Citrus Association	.5679
United Citrus Growers	.5839
Zilen Citrus Co.	.1564
Arlington Heights Citrus Co.	.7240
Brown Estate, L. V. W.	1.7296
Gavilan Citrus Association	2.3519
Highgrove Fruit Association	.5389
McDermont Fruit Co.	2.1597
Monte Vista Citrus Association	1.4134
National Orange Co.	1.1017
Riverside Heights Orange Growers Association	1.0635
Sierra Vista Packing Association	.7424
Victoria Avenue Citrus Association	3.0296
Claremont Citrus Association	.9983
College Heights Orange and Lemon Association	1.8993
Indian Hill Citrus Association	1.6523
Pomona Fruit Growers Exchange	1.8822
Walnut Fruit Growers Association	.7900
West Ontario Citrus Association	1.1665
El Cajon Valley Citrus Association	.0000
Escondido Cooperative Citrus Association	.0000
San Dimas Orange Growers Association	1.3594
Canoga Citrus Association	.4077
North Whittier Heights Citrus Association	.2071
San Fernando Heights Orange Association	.3878
Sierra Madre-Lamanda Citrus Association	.1389
Camarillo Citrus Association	.0114
Fillmore Citrus Association	1.2642
Ojai Orange Association	.8859
Piru Citrus Association	1.3503
Rancho Sespe	.0009
Tapo Citrus Association	.0093
Ventura County Citrus Association	.1693
East Whittier Citrus Association	.0086
Murphy Ranch Co.	.0000
Anaheim Cooperation Orange Association	.0000
Bryn Mawr Mutual Orange Association	.5612
Chula Vista Mutual Lemon Association	.0403
Euclid Avenue Orange Association	2.9655
Foothill Citrus Union, Inc.	.4656
Garden Grove Orange Cooperative Inc.	.0045
Golden Orange Groves, Inc.	.2783
Highland Mutual Groves	.1796
Index Mutual Association	.0000
La Verne Cooperative Citrus Association	4.4874
Mentone Heights Association	.6380
Olive Hillside Groves, Inc.	.0040
Orange Cooperative Citrus Association	.0000
Redlands Foothill Groves	2.0587
Redlands Mutual Orange and Lemon Association	.9664
Ventura County Orange and Lemon Association	.4872
Whittier Mutual Orange and Lemon Association	.0000
Allec Bros.	.0048
Babijuce Corp. of California	.3453
Banks, L. M.	.0146
Becker, Samuel Eugene	.0205
Bennett Fruit Co., Inc.	.3962
Book, Maynard C.	.0002
Borden Fruit Co.	.0000
Cherokee Citrus Association	.6973
Chess Co., Meyer W.	.5670
Christian, Guy	.0025
Dozier, Paul M.	.0040
Dunning Ranch	.2081

PRORATE BASE SCHEDULE—Continued

ALL ORANGES OTHER THAN VALENCIA ORANGES—continued

Prorate District No. 2—Continued

Handler	Prorate base (percent)
Evans Bros. Packing Co.	1.1944
Gold Banner Association	1.3292
Granada Hills Packing Co.	.0000
Granada Packing House	.2077
Hill Packing Co., Fred A.	.6787
Holland, M. J.	.0222
Knapp Packing Co., John C.	.1570
Orange Belt Fruit Distributors	2.7110
Orange Hill Groves	.0190
Panno Fruit Co., Carlo	.0950
Paramount Citrus Association, The	.0651
Placentia Orchard Co.	.0000
Prescott, John A.	.0000
Pulos, James J.	.0380
Redlands Fruit Association, Inc.	.0158
Riverside Citrus Association	.1346
Ronald, P. W.	.0442
San Antonio Orchard Co.	1.6240
Stephens, T. F.	.2001
Summit Citrus Packers	.0591
Wall, E. T., Grower-Shipper	1.9560
Western Fruit Growers, Inc.	2.4600

[F. R. Doc. 51-3998; Filed, Mar. 30, 1951; 11:57 a. m.]

TITLE 12—BANKS AND BANKING

Chapter II—Federal Reserve System

Subchapter A—Board of Governors of the Federal Reserve System

[Reg. F]

PART 206—TRUST POWERS OF NATIONAL BANKS

VALUATION OF NONMARKETABLE DIRECT OBLIGATIONS OF U. S. IN COMMON TRUST FUNDS

§ 206.107 *Valuation of nonmarketable direct obligations of the United States in Common Trust Funds.* The recent Treasury Department announcement regarding a new investment series of 2½ percent Treasury Bonds which were offered March 26, 1951, in exchange for outstanding 2½ percent Treasury Bonds of June 15 and December 15, 1967-72, has given cause to inquiries concerning the question whether, in the periodic valuation of assets in a Common Trust Fund operated in accordance with the provisions of § 206.17 (c), it would be permissible to value the new nonmarketable 2½ percent Treasury Bonds at par value or whether such bonds should be valued at the market value of the 5 year 1½ percent Treasury Notes for which they will be exchangeable.

In § 206.103, regarding a similar inquiry relating to the valuation of Series G United States Savings Bonds, reference was made to the fact that this part does not undertake to prescribe any precise basis or method of valuation and that the only provision of the part which is pertinent to this matter is the requirement, contained in § 206.17 (c) (1), that the written Plan for the operation of a Common Trust Fund shall include, among other things, provisions relating to the basis and method of valuing the assets in the Fund.

Accordingly, this part does not prohibit the valuing of Series G United States Savings Bonds, or other nonmarketable

direct obligations of the United States, at par value in the periodic valuation of assets in a Common Trust Fund, and such action is permissible if it is consistent with the terms of the written Plan governing the Common Trust Fund and with applicable State law.

(Sec. 11 (1), 38 Stat. 262; 12 U. S. C. 248 (1). Interpret or apply secs. 2-4, 24 Stat. 18, 19, sec. 1, 40 Stat. 1043, as amended, sec. 1, 44 Stat. 1225, as amended, sec. 11 (k), 38 Stat. 261, as amended, 53 Stat. 68, as amended; 12 U. S. C. 30-33, 34 (a), 248 (k), 26 U. S. C. 169)

BOARD OF GOVERNORS OF THE
FEDERAL RESERVE SYSTEM,
[SEAL] S. R. CARPENTER,
Secretary.

[F. R. Doc. 51-3888; Filed, Mar. 30, 1951;
8:45 a. m.]

TITLE 16—COMMERCIAL PRACTICES

Chapter I—Federal Trade Commission

[Docket 5487]

PART 3—DIGEST OF CEASE AND DESIST ORDERS

HAYES HI-GRADE HATCHERY

Subpart—Advertising falsely or misleadingly: § 3.15 Business status, advantages or connections—Government connection—Government endorsement—Organization and operation—Stock, product or service; § 3.85 Government approval, connection or standards; § 3.90 History of product or offering. Subpart—Claiming endorsements or testimonials falsely or misleadingly § 3.330 Claiming endorsements or testimonials falsely or misleadingly. In connection with the offering for sale, sale or distribution of baby chicks in commerce, (1) using the expression "U. S. R. O. P. sired" or "R. O. P. sired" to designate, describe or refer to respondent's chicks, or otherwise representing, directly or by implication, that respondent's chicks are sired by United States Record of Performance males; or, (2) representing by any means or in any manner that respondent is a participant in the United States Poultry Improvement Plan; prohibited, subject to the qualification, however, that the order shall not be construed as prohibiting representations that respondent's baby chicks are R. O. P. sired when such chicks have actually been sired by males which have been officially banded with U. S. R. O. P. sealed and numbered official leg-bands and duly registered as such, or representations that the flocks supplying the eggs from which the baby chicks are hatched are headed by R. O. P. males when the flocks concerning which such representations are made are segregated and headed by such officially banded R. O. P. males; provided such representations are not made in such a manner as to represent, directly or by implication, that the baby chicks so offered for sale are U. S. R. O. P. chicks, or that respondent is a participant in the National Poultry Improvement Plan.

(Sec. 6, 38 Stat. 721; 15 U. S. C. 46. Interprets or applies sec. 5, 38 Stat. 719, as

amended; 15 U. S. C. 45) [Cease and desist order, Hayes Hi-Grade Hatchery, Docket 5487, Jan. 12, 1951]

In the Matter of Herman G. Hayes, Individually and Trading as Hayes Hi-Grade Hatchery

This proceeding having been heard by the Federal Trade Commission upon the complaint of the Commission, the answer of the respondent, testimony and other evidence introduced before a trial examiner of the Commission theretofore duly designated by it, recommended decision of the trial examiner and brief of counsel supporting the complaint (no brief having been filed on behalf of respondent and oral argument not having been requested), and the Commission having made its findings as to the facts and its conclusion that respondent has violated the provisions of the Federal Trade Commission Act:

It is ordered, That the respondent, Herman G. Hayes, individually and trading as Hayes Hi-Grade Hatchery, or trading under any other name, and his agents, representatives and employees, directly or through any corporate or other device, in connection with the offering for sale, sale or distribution of baby chicks in commerce, as "commerce" is defined in the Federal Trade Commission Act, do forthwith cease and desist from:

1. Using the expression "U. S. R. O. P. sired" or "R. O. P. sired" to designate, describe or refer to respondent's chicks, or otherwise representing, directly or by implication, that respondent's chicks are sired by United States Record of Performance males.

2. Representing by any means or in any manner that respondent is a participant in the United States Poultry Improvement Plan.

This order shall not be construed as prohibiting representations that respondent's baby chicks are R. O. P. sired when such chicks have actually been sired by males which have been officially banded with U. S. R. O. P. sealed and numbered official leg-bands and duly registered as such, or representations that the flocks supplying the eggs from which the baby chicks are hatched are headed by R. O. P. males when the flocks concerning which such representations are made are segregated and headed by such officially banded R. O. P. males: *Provided, however*, That such representations are not made in such a manner as to represent, directly or by implication, that the baby chicks so offered for sale are U. S. R. O. P. chicks, or that respondent is a participant in the National Poultry Improvement Plan.

It is further ordered, That respondent shall, within sixty (60) days after service upon him of this order, file with the Commission a report in writing setting forth in detail the manner and form in which he has complied with this order.

Issued: January 12, 1951.

By the Commission.

[SEAL] D. C. DANIEL,
Secretary.

[F. R. Doc. 51-3903; Filed, Mar. 30, 1951;
8:49 a. m.]

[Docket 5696]

PART 3—DIGEST OF CEASE AND DESIST ORDERS

CENTRAL SOYA COMPANY, INC., ET AL.

Subpart—Discriminating in price under section 2, Clayton Act as amended—Price discrimination under 2 (a): § 3.725 Cumulative quantity discounts and schedules; § 3.730 Customer classification. In the sale of animal feed products, including both concentrate and complete feeds, whether sold under the name of "Master Mix" or any other name or designation, in commerce, directly or indirectly discriminating in price between different purchasers of animal feed products, including both concentrate and complete feeds of like grade and quality, where the aforesaid products are sold for use, consumption or resale within the United States or in the District of Columbia, (a) by employing in any manner, or by any means, any arrangement or plan, regardless of designation, whereby allowances, discounts, rebates, refunds, compensation or consideration of any nature or description are granted or paid in any manner to dealer purchasers of such products when such allowances, discounts, rebates, refunds, compensation or consideration are compiled or computed at varied or different rates or percentages dependent upon the quantity or amount of the products purchased; or, (b) by classifying, designating or defining, by any means or method, dealer purchasers of such products for the purpose or with the intent or effect of granting or paying in any manner allowances, discounts, rebates, refunds, compensation or consideration of any nature or description at varied or different rates or percentages which are dependent in any way upon such classifications, designations or definitions; prohibited, subject to the provision, however, that nothing contained in the order, shall prevent any respondent from showing that any differentials alleged to be in violation of the provisions of the order are differentials which in fact make only due allowance for differences in cost of manufacture, sale or delivery resulting from the differing methods or quantities in which such animal feed products are to such purchasers sold or delivered, and when differentials are thus shown by any respondent to be so justified, they are not to be construed as in violation of the order.

(Sec. 2, 38 Stat. 730, as amended; 15 U. S. C. 13) [Cease and desist order, Central Soya Company, Inc., et al., Docket 5696, January 11, 1951]

In the Matter of Central Soya Company, Inc., a Corporation, and its Subsidiaries, McMillen Feed Mills, Inc., of Tennessee, and McMillen Feed Mills, Inc., of Ohio

This proceeding was heard by James A. Purcell, trial examiner, upon the complaint of the Commission, the answer of the respondents, and certain hearings at the last of which a stipulation was received and all of which were duly recorded and filed in the office of the Commission.

Thereafter the proceeding regularly came on for final consideration by said trial examiner on the complaint, answer thereto, stipulation as to certain facts at variance with the provable charges of the complaint (which facts were necessary of record to support the findings and conclusion), and proposed findings as to the facts and conclusion jointly agreed to and submitted by counsel, oral argument thereon not having been requested; and said trial examiner, having duly considered the record in said cause, made his initial decision, comprising certain findings as to the facts, conclusion drawn therefrom, and order to cease and desist.

No appeal having been filed from said initial decision of said trial examiner as provided for in Rule XXII, nor any other action taken as thereby provided to prevent said initial decision becoming the decision of the Commission thirty days from service thereof upon the parties, said initial decision, including said order to cease and desist, accordingly, under the provisions of said Rule XXII, became the decision of the Commission January 11, 1951.

The said order to cease and desist is as follows:

It is ordered, That respondents, Central Soya Company, Inc., a corporation, and its subsidiaries, McMillen Feed Mills, Inc., of Tennessee, a corporation, and McMillen Feed Mills, Inc., of Ohio, a corporation, their, and each of their, respective officers, representatives, agents and employees, directly or through any corporate or other device, in the sale of animal feed products, including both concentrate and complete feeds, whether sold under the name of "Master Mix" or any other name or designation, in commerce as "commerce" is defined in the aforesaid Clayton Act, between and among the several States of the United States and in the District of Columbia, do forthwith cease and desist from:

1. Directly or indirectly discriminating in price between different purchasers of animal feed products, including both concentrate and complete feeds of like grade and quality, where the aforesaid products are sold for use, consumption or resale within the United States or in the District of Columbia;

(a) By employing in any manner, or by any means, any arrangement or plan, regardless of designation, whereby allowances, discounts, rebates, refunds, compensation or consideration of any nature or description are granted or paid in any manner to dealer purchasers of such products when such allowances, discounts, rebates, refunds, compensation or consideration are compiled or computed at varied or different rates or percentages dependent upon the quantity or amount of the products purchased;

(b) By classifying, designating or defining, by any means or method, dealer purchasers of such products for the purpose or with the intent or effect of granting or paying in any manner allowances, discounts, rebates, refunds, compensation or consideration of any nature or description at varied or different rates or percentages which are dependent in any way upon such classifications, designations or definitions.

Provided, That nothing herein contained shall prevent any respondent from showing that any differentials alleged to be in violation of the provisions of this order are differentials which in fact make only due allowance for differences in cost of manufacture, sale or delivery resulting from the differing methods or quantities in which such animal feed products are to such purchasers sold or delivered, and when differentials are thus shown by any respondent to be so justified, they are not to be construed as in violation of this order.

By "Decision of the Commission and order to File Report of Compliance", Docket 5696, January 11, 1951, which announced fruition of said initial decision, report of compliance with the order was required as follows:

It is ordered, That the respondents herein shall within sixty (60) days after service upon them of this order, file with the Commission a report in writing setting forth in detail the manner and form in which they have complied with this order.

Issued: January 11, 1951.

By the Commission.

[SEAL]

D. C. DANIEL,
Secretary.

[F. R. Doc. 51-3902; Filed, Mar. 30, 1951;
8:49 a. m.]

TITLE 32—NATIONAL DEFENSE

Chapter IV—Joint Regulations of the Armed Forces

Subchapter A—Armed Services Procurement Regulations

PART 400—GENERAL PROVISIONS

MISCELLANEOUS REVISIONS AND AMENDMENTS

Correction

In F. R. Document 50-10031, appearing in the issue for Thursday, November 23, 1950, at page 3025 the final paragraph in § 400.201-9 was inadvertently omitted. It should read as follows:

The above definitions shall not apply to contracts which are performed outside the geographic limits of the United States, its territories, and the District of Columbia, except where such performance requires a shipment from within such geographic limits.

TITLE 32A—NATIONAL DEFENSE, APPENDIX

Chapter III—Office of Price Stabilization, Economic Stabilization Agency

[General Overriding Regulation 1]

GOR 1—SALES OF BLIND-MADE GOODS BY NONPROFIT MAKING AGENCIES FOR THE BLIND

Pursuant to the Defense Production Act of 1950 (Public Law 774, 81st Cong.), Executive Order 10161 (15 F. R. 6105), and Economic Stabilization Agency General Order No. 2 (16 F. R. 738), this General Overriding Regulation No. 1 is hereby issued.

STATEMENT OF CONSIDERATIONS

This General Overriding Regulation is the first of a series of across-the-board regulations. These will create exemptions from or set forth special provisions applicable to some or all of the price regulations issued by the Director of Price Stabilization, including the General Ceiling Price Regulation, and its supplementary regulations as well as numbered Ceiling Price Regulations with their Supplementary Regulations.

This General Overriding Regulation exempts sales of blind-made products by nonprofit making agencies for the blind.

There are approximately 100 sheltered workshops for the blind in the United States which provide needed employment for blind people. The agencies for the blind which operate these workshops are supported and financed by public contributions or are instrumentalities of state governments receiving funds under state appropriations. These workshops manufacture goods such as covers, mats, mattresses, pads, pillowcases, rugs, towels, brooms, mops, mop handles, swabs, mailing bags, aprons and hospital supplies, such as operating room aprons, surgical drapes, and glove and pack wrappers. Their total dollar volume of sales amounted to approximately \$8,000,000 in 1950. It is contemplated that this year the volume will be about \$10,000,000 of which approximately 80 percent will be sales to the United States Government in which 52 of the blind agencies participate. The remaining sales will be to wholesalers, industrial and commercial users, and private consumers who purchase from door-to-door vendors or from retail establishments run by the workshops.

Sales of blind-made goods to the United States Government are covered by the Wagner-O'Day Act (Act of June 25, 1923, 52 Stat. 1196, 41 U. S. C. 46-48), under which Federal procurement agencies are required to purchase brooms and mops and other suitable commodities from nonprofit making agencies for the blind to the extent that such articles are available and at prices which are determined by the Committee on Purchases of Blind-Made Products. This committee was established by the Wagner-O'Day Act. The committee is required by the Act to establish prices on the basis of the "fair market price" of the article to be purchased.

Sales by the agencies for the blind are the only sales exempted by this regulation and hence any resale by a wholesaler of these blind-made products are subject to price control.

Direct sales to industrial, commercial and private consumers, are normally made at prices in excess of those charged by other sellers of comparable quality, the difference in price amounting in fact to charitable donations made by the purchasers.

The definitions of the exempted agencies, blind-made goods, and blind persons are substantially the same as those in the regulations relating to the Wagner-O'Day Act.

This regulation applying as it does to a very limited number of commodities,

produced under very special circumstances, will not have any material effect on the general level of prices.

REGULATORY PROVISIONS

Sec.

1. Applicability of General Overriding Regulation.
2. No ceiling prices on sales of blind-made goods by nonprofit making agencies for the blind.
3. Definitions.

AUTHORITY: Sections 1 to 3 issued under sec. 704, Pub. Law 774, 81st Cong. Interpret or apply Title IV, Pub. Law 774, 81st Cong.; E. O. 10161, Sept. 9, 1950, 15 F. R. 6105.

SECTION 1. Applicability of General Overriding Regulation. This General Overriding Regulation authorizes nonprofit making agencies for the blind to sell blind-made goods free from any ceiling price restrictions imposed by the Office of Price Stabilization. Office of Price Stabilization regulations do apply to such blind-made goods when resold by others.

SEC. 2. No ceiling prices on sales of blind-made goods by nonprofit making agencies for the blind. No price regulation issued by the Office of Price Stabilization applies to sales of blind-made goods by nonprofit making agencies for the blind. No price regulation which may be issued in the future shall apply to such sales unless they are specifically mentioned in the regulation.

SEC. 3. Definitions. (a) "Nonprofit making agency for the blind" means any institution operating in the interest of blind persons, the net income of which does not inure in whole or in part to the benefit of individuals or shareholders;

(b) "Blind persons" means persons whose visual acuity does not exceed 20/200 in the better eye with correcting lenses; or whose visual acuity is greater than 20/200, but who have a limitation in the field of vision such that the widest diameter of the visual field subtends an angle no greater than 20 degrees;

(c) "Blind-made goods" means any commodity on which 75 percent of the direct labor in man-hours has been performed by blind persons.

Effective date. This General Overriding Regulation shall become effective on April 4, 1951.

MICHAEL V. DISALLE,
Director of Price Stabilization.

MARCH 30, 1951.

[F. R. Doc. 51-3996; Filed, Mar. 30, 1951;
11:53 a. m.]

[Distribution Regulation 1, Amdt. 2]

DR 1—FAIR DISTRIBUTION OF LIVESTOCK AND MEAT

CLASS 3 SLAUGHTERER REDEFINED

Pursuant to the Defense Production Act of 1950 (Pub. Law 774, 81st Cong.), Executive Order 10161 (15 F. R. 6105), and Economic Stabilization Agency General Order No. 5 (16 F. R. 1273), this

Amendment 2 to Distribution Regulation 1¹ (16 F. R. 1273) is hereby issued.

Preamble. A Class 3 slaughterer is defined in section 5 of Distribution Regulation 1 as a resident operator of a farm who transferred in 1950 no more than 6,000 pounds of meat resulting from the slaughter of livestock on his farm. The resident operator of a farm who had his livestock slaughtered for him off the farm and transferred meat is presently defined as a Class 1A or Class 2A slaughterer. Thus the difference between resident operators of farms was predicated on their mode of slaughter in 1950 and not on the amount of meat they transferred. This was not the original intent of the regulation. It was intended that all resident operators of farms would be treated in the same manner and that their operations would be characterized by the number of pounds of meat they transferred during 1950. If they transferred no more than 6,000 pounds during 1950, it was intended that they be termed Class 3 slaughterers, and if they transferred more than 6,000 pounds during 1950, then they were to be termed Class 2 or Class 1A or Class 2A slaughterers, depending on where and by whom the slaughtering was done. The amendment will now permit any Class 3 slaughterer to have his livestock custom slaughtered for him by a Class 1 or Class 2 slaughterer, provided he complies with certain requirements set forth in the amendment. The information required must be set forth in a signed statement which the Class 1 or Class 2 slaughterer must retain for his records. By operation of the amendment all resident operators of farms who had their livestock slaughtered for them and who transferred no more than 6,000 pounds of meat during 1950 are no longer considered Class 1A or Class 2A slaughterers.

Distribution Regulation 1 is amended in the following respects:

1. Section 5 (a) is amended to read as follows:

(a) If you are a resident operator of a farm on which you reside at least 6 months a year, and if, during the calendar year 1950, you transferred no more than 6,000 pounds of meat resulting from your slaughter of livestock or the slaughter of livestock for you, you are a Class 3 slaughterer. The transfer of meat includes the selling, giving, exchanging, lending, delivering or consigning of meat and also the placing or storing of meat in warehouses or locker plants.

2. Paragraphs (c) and (d) of section 5 are redesignated as paragraphs (d) and (e), respectively, and the following new paragraph (c) is added:

(c) No Class 1 or Class 2 slaughterer may slaughter livestock for you under this section unless your furnish to him a signed statement setting forth (1) the address of your farm; (2) that you are a resident operator of a farm on which you reside at least 6 months a year; (3) that during the calendar year 1950 you transferred no more than 6,000 pounds

of meat resulting from your slaughter of livestock or the slaughter of livestock for you; (4) a description of the livestock by species, number of head, and live weight; (5) that the transfer of all or any part of the meat will not make your total transfer of meat in the current six-month period, commencing with March 1 or September 1, exceed either 3,000 pounds or the amount you transferred during the corresponding six month period of 1949-50, whichever amount is lower. Furthermore, if any of the meat is to be transferred to persons acquiring it for resale, you must set forth in the statement the names and addresses of such persons and that you transferred meat to such persons in 1950.

3. The last sentence of paragraph (d) of section 12 is amended to read as follows: "He must also keep the statements given to him as required by section 5 (c) and section 6 (b)."

Effective date. This amendment is effective March 31, 1951.

NOTE: The record keeping and reporting requirements contained in this regulation have been approved by the Bureau of the Budget in accordance with the Federal Reports Act of 1942.

MICHAEL V. DISALLE,
Director of Price Stabilization.

MARCH 30, 1951.

[F. R. Doc. 51-3997; Filed, Mar. 30, 1951;
11:53 a. m.]

Chapter VI—National Production Authority, Department of Commerce

[NPA Order M-18, as amended March 30, 1951]

M-18—PIGS' AND HOGS' BRISTLES AND BRISTLE PRODUCTS

This order as amended is found necessary and appropriate to promote the national defense, and is issued pursuant to authority granted by section 101 of the Defense Production Act of 1950. In the formulation of this order, there has been consultation with industry representatives, including trade association representatives, and consideration has been given to their recommendations.

This amendment to NPA Order M-18, as last amended January 12, 1951, amends and restates the order to read as follows:

Sec.

1. What this order does.
2. Definitions.
3. Inventories.
4. Limitations on the manufacture of painters' brushes.
5. Restrictions on the use of bristles.
6. Required mixture of other materials.
7. Restriction on the sale and delivery of painters' brushes.
8. Restriction on the bleaching and cutting of bristles.
9. Restriction on the sale of bristles.
10. Prohibited deliveries.
11. Reports.
12. Records.
13. Communications.
14. Application for adjustment or exception.
15. Audit and inspection.
16. Violations.

¹ Formerly designated Distribution Order 1.

AUTHORITY: Sections 1 to 16 issued under sec. 704, Pub. Law 774, 81st Cong. Interpret or apply sec. 101, Pub. Law 774, 81st Cong.; sec. 101, E. O. 10161, Sept. 9, 1950, 15 F. R. 6105, 3 CFR, 1950 Supp.; sec. 2, E. O. 10200, Jan. 3, 1951, 16 F. R. 61.

SECTION 1. What this order does. This order sets forth limitations on inventories of bristles. It calls for reports and explains the conditions under which reports are required in connection with the distribution, use, and inventories of bristles. It imposes limitations on the processing, mixing, or preparation for manufacture of bristles and on the manufacture and distribution of brushes and other products containing bristles. Provisions are made requiring the simplification and standardization of brushes manufactured from bristles.

SEC. 2. Definitions. As used in this order:

(a) "Person" means any individual, corporation, partnership, association, or any other organized group of persons and includes any agency of the United States or any other government.

(b) "Bristles" means pigs' or hogs' bristles, including riflings, whether new, reclaimed, raw, dressed, imported, or domestic, but does not include engined shoemakers' bristles.

(c) "Dealer" means a person who regularly purchases and sells bristles without processing or changing their condition.

(d) "Dresser" means a person who grades, sorts, prepares, reclaims, or in any way processes bristles.

(e) "Process" means to boil, sterilize, comb, wash, drag, or mix bristles.

(f) "Import" means to transport in any manner into the continental United States from areas outside the continental United States, including territories and possessions. It includes shipments into foreign-trade zones, customs bonded warehouses, and customs custody, except when such shipments are merely in transit through the continental United States, to destinations outside the continental United States, as shown by the bills of lading or other shipping documents. However, if any such material in transit is halted or diverted to a destination in the continental United States or subjected to processing or manufacture in the continental United States, it becomes an "import" for the purposes of this order, and requires the reports specified in section 11 of this order.

(g) "Painters' brush" means any paint and varnish type of brush which is used in the painting, varnishing, or decorating trade, including all types of brushes specified in the brush schedule annexed to this order, and all other brushes of similar construction and use.

(h) "Ferrule" means the band by which the stock or filling material of a painters' brush is attached to the handle.

Sec. 3. Inventories. (a) At no time after March 30, 1951, shall any manufacturer utilizing bristles in the manufacture of brushes or other products con-

taining bristles, order, purchase, contract to purchase, or enter into any other arrangements whatsoever, formal or informal, for the acquisition of bristles, if his inventory is, or by receipt of such bristles would become, more than a practicable minimum working inventory of bristles required for his scheduled production of brushes and other products containing bristles for a period of 120 days. Where such contracts or other arrangements to acquire do not specify a delivery date, or if they specify a delivery date subsequent to such 120-day period, the bristles provided for therein shall be considered received or delivered, and deemed in inventory, for purposes of computing the permissible amount of his inventory for that period.

(b) A "practicable minimum working inventory," as defined in NPA Reg. 1, may be computed for purposes of this order on the basis of the total quantity of bristles reported in section 1, parts A and B, of Form NPAF-14, as compared with the monthly consumption of such bristles as reported in section 2 of that form: *Provided*, That such computation results in the smallest quantity from which a manufacturer can reasonably meet deliveries on the basis of his scheduled method and rate of operation during the aforementioned 120-day period.

SEC. 4. Limitations on the manufacture of painters' brushes. No person shall manufacture any painters' brushes of a type other than those specified in the painters' brush schedule attached to this order. Ferrules for the brushes so specified shall be of the dimensions set forth for each type of brush in the schedule, except that such limitations shall not apply:

(a) To finished ferrules on hand as of March 30, 1951, regardless of who has possession thereof.

(b) To semifinished ferrules on hand as of March 30, 1951, where such ferrules have entered the cutting or slitting process of manufacture.

SEC. 5. Restrictions on the use of bristles. No person shall use any bristles longer than 2½ inches for any purpose, except:

(a) To manufacture painters' brushes of the types identified in the painters' brush schedule annexed hereto, excluding the following: No. 12, mucilage and paste; No. 13, painters' duster flat; No. 14, painters' duster round; No. 15, plasterers', and No. 37, whitewash.

(b) To manufacture brushes or other products from bristles not longer than 4 inches, where such brushes or other products are required and used as integral or fixed parts of production equipment in the production operations of any industry.

SEC. 6. Required mixture of other materials. No person shall manufacture brushes or other products from bristles longer than 2½ inches unless such brushes or products contain at least 30 percent by weight of filling material other than bristles as defined in this

order: *Provided, however*, That this restriction shall not apply:

(a) To the brushes or products containing bristles referred to in paragraph (b) of section 5 of this order where the use of such brushes or products containing the aforesaid mixture would substantially curtail the normal production operations of any industry.

(b) To brushes or products containing bristles where the applicable Federal specifications require the use of bristles exclusively, provided that such brushes or products containing bristles will be delivered to or for the account of an agency of the United States within 45 days after March 30, 1951.

SEC. 7. Restriction on the sale and delivery of painters' brushes. After May 14, 1951, no manufacturer of brushes shall sell or deliver painters' brushes containing bristles longer than 2½ inches, except in pursuance of DO rated orders.

SEC. 8. Restriction on the bleaching and cutting of bristles. No manufacturer, dealer, dresser, or other person may bleach or make cuts from any bristles longer than 2½ inches.

SEC. 9. Restriction on the sale of bristles. No person may sell bristles except to a dealer, dresser, or manufacturer of brushes or products containing bristles.

SEC. 10. Prohibited deliveries. No person shall accept an order for, sell, deliver, or cause to be delivered bristles which he knows, or has reason to believe will be accepted, held, or used in violation of the provisions of this order.

SEC. 11. Reports. (a) Any person who imports, distributes, or has in his possession bristles for the purpose of manufacture of brushes or other products containing bristles or who otherwise may have bristles in his possession, must report each month his entries, receipts, deliveries, inventories, balance of entries, and all other transactions in bristles, by completing and filing report Form NPAF-14 on or before the 10th day of each month, with respect to all such operations and transactions.

(b) Other persons having any interest in or taking any action with respect to the importation of bristles or having control over bristles while they are physically in the continental United States, even though in bond or in transit, except common carriers, whether as owner, agent, consignee, or otherwise having bristles in his possession or under his control shall file the report called for in paragraph (a) of this section, and such other reports as may be required from time to time by the National Production Authority, subject to the terms of the Federal Reports Act (P. L. 831, 77th Cong., 5 U. S. C. 139-139F).

SEC. 12. Records. Each person participating in any transaction covered by this order shall retain in his possession for at least 2 years records of receipts, deliveries, inventories, and use,

in sufficient detail to permit an audit that determines for each transaction that the provisions of this order have been met. This does not specify any particular accounting method and does not require alteration of the system of records customarily maintained, provided such records supply an adequate basis for audit. Records may be retained in the form of microfilm or other photographic copies instead of the originals.

Sec. 13. *Communications.* All communications concerning this order shall be addressed to National Production Authority, Washington 25, D. C., Ref.: M-18.

Sec. 14. *Application for adjustment or exception.* Any person affected by any provision of this order may file a request for adjustment or exception upon the ground that such provision works an undue or exceptional hardship upon him not suffered generally by others in the same trade or industry, or that its enforcement against him would not be in the interest of the national defense or in the public interest. In considering requests for adjustment claiming that the public interest is prejudiced by the application of any provision of this order, consideration will be given to the requirements of the public health and safety, civilian defense, and dislocation of labor and resulting unemployment that would impair the defense program. Each request shall be in writing, shall set forth all pertinent facts and the nature of the relief sought, and shall state justification therefor.

Sec. 15. *Audit and inspection.* All records required by this order shall be made available at the usual place of business where maintained for inspection and audit by duly authorized representatives of the National Production Authority.

Sec. 16. *Violations.* Any person who wilfully violates any provision of this order or any other order or regulation of the National Production Authority or wilfully conceals a material fact or furnishes false information in the course of operation under this order is guilty of a crime, and upon conviction may be punished by fine or imprisonment or both. In addition administrative action may be taken against any such person to suspend his privilege of making or receiving further deliveries of materials or using facilities under priority or allocation control and to deprive him of further priorities assistance.

NOTE: All reporting and record-keeping requirements of this order have been approved by the Bureau of the Budget in accordance with the Federal Reports Act of 1942.

This order as amended and restated shall take effect on March 30, 1951.

[SEAL] NATIONAL PRODUCTION,
AUTHORITY,
MANLY FLEISCHMANN,
Administrator.

PAINTERS' BRUSH SCHEDULE

These are the only types of painters' brushes which may be manufactured. Ferrule dimensions are in inches. A maximum variation of $\frac{1}{16}$ of an inch is allowed in width and thickness, both of which are referred to by inside dimensions. In case of any inconsistency, the ferrule dimensions shall prevail over those in the Federal Specifications.

Type of brush	Identification No.	Width of ferrule	Thickness of ferrule	Maximum depth of ferrule
Color—single thickness.....	1	<i>Inches</i> $\frac{1}{2}$ $\frac{1}{4}$ <		

undeliverable second-, third-, and fourth-class mail matter may be forwarded to addressees or returned to the senders, which rules and regulations (1) constitute an adoption of experimental procedures instituted in 1949 for the handling of unclaimed or otherwise undeliverable publications transmitted by second-class mail, and (2) constitute a relaxation of certain restrictive regulations with respect to the forwarding or return of other second-, third-, and fourth-class mail, and it having been found that compliance with the notice and public rule making requirements of the Administrative Procedure Act (5 U. S. C. 1003) is impracticable for the reason that such compliance would impede the due and timely execution of the functions of this Department, it is therefore ordered that effective May 1, 1951, title 39 of the Code of Federal Regulations be amended as follows:

a. Section 34.63 *Undeliverable second-class matter* is amended to read as follows:

§ 34.63 *Undeliverable second-class matter*—(a) *Forwarding and return.* Under such regulations as the Postmaster General may prescribe, second-, * * * class matter which is undeliverable as addressed may be forwarded to the addressee or returned to the sender and the postage for such service may be prepaid or collected on delivery of the matter in accordance with the instructions and pledge of the addressee or sender, as the case may be, to pay the forwarding or return postage, and such matter * * * for which payment of forwarding or return postage is not pledged, may be forwarded or returned under such conditions as the Postmaster General shall prescribe, but when the addressee or sender refuses to pay the required postage, the forwarding or return of further matter may be discontinued. (Sec. 1, Public Law 536, approved June 8, 1950)

(b) *Notification of addressee or sender; postage charge.* (1) Under such regulations as the Postmaster General may prescribe, the addressee or sender of second-, * * * class matter which is undeliverable as addressed may be so notified, and there shall be a charge for each such notice of not to exceed 5 cents.

(2) When copies of any publication of the second class mailed by a publisher or news agent at the pound rate or free-in-county of publication are undeliverable as addressed, such publisher or agent shall be notified of that fact in such manner and at such time as the Postmaster General may prescribe, for which service there shall be a charge of not to exceed 5 cents, and copies of the publication received subsequent to such notification shall be treated as provided by this Act or as may otherwise be directed by the Postmaster General. (Sec. 2, Public Law 536, approved June 8, 1950)

NOTE: See § 43.11 as to use of postage-due stamps.

(c) *When there has been a local change of address.* When the address on copies of a publication is incorrect because of a local change of address on a city, village, or rural letter-carrier

route, or because of some other local change of address, the copies shall be delivered to the new local address without charge for 5 weeks, or until two successive issues have been published, whichever period is longer. Form 22-S shall be furnished to the subscriber at his new local address and he shall be requested to use it promptly to notify the publication of his change of address. If copies bearing the old address continue to be received after the period prescribed has elapsed, the carrier servicing the subscriber's old address shall write the new address near the original address or address label on the copies and then deliver them to the inquiry section or clerk designated by the postmaster. The inquiry section or designated clerk shall fill out Form 3579, by typewriter when possible, to show the subscriber's new address, and the complete name and address of the publication, including street and delivery zone numbers. The form shall then be attached to the copy near the old address, but not over it, and the copy shall be returned to the publication charged with 2 cents postage due. Copies bearing the old address shall be returned to the publication in this manner until the address is changed, but, if the change is not made within a reasonable time, the postmaster at the office of mailing may be requested by letter to call the publisher's attention to his failure to correct his mailing list.

(d) *Publication undeliverable for reason other than local change of address.* When copies of a publication are undeliverable as addressed for a reason other than a local change of address, the first undeliverable copy shall be endorsed to show the reason together with the words "first copy" by the carrier or clerk who determines the fact that the copies cannot be delivered to the addressee, after which the copies shall be delivered to the inquiry section or designated clerk for preparation and affixing of Form 3579 and return to the publication as directed in paragraph (c) of this section. Copies bearing the same address received during the period of 5 weeks or until two subsequent issues shall have been published following the return of the first undeliverable copy shall be disposed of as waste (see §§ 6.22 and 43.46 of this chapter) unless the copies bear the pledge of the sender to pay return postage in which case the copies shall be returned to the sender charged with postage due at the transient second-class rate (see § 34.42). Copies received after the expiration of the prescribed period shall be returned to the publication under Form 3579.

(e) *Pledge of forwarding postage filed by addressee or publisher.* When the addressee's change of address is other than local and he has filed a written guarantee on Form 22 or otherwise to pay forwarding postage or when the copies bear the publisher's pledge to pay forwarding postage, copies undeliverable as addressed shall be forwarded to the new address for a period of 5 weeks or until at least two successive issues have been published, rated with postage due at the transient second-class rate (see § 34.42). Form 22-S shall be furnished to the addressee by the postmaster at the new

post office of address with the first copy which is forwarded. Additional copies of Form 22-S may be furnished to the addressee with subsequent copies if the address is not changed during the prescribed period. After 5 weeks, but not until at least two successive issues have been published, the copies received at the old address shall be returned to the publication under Form 3579. If the addressee refuses to pay the postage due, the postmaster at the forwarding post office shall be requested by letter to discontinue forwarding copies and to return them to the publication.

(f) *Manner in which sender's pledge shall be shown.* The sender's pledge to pay the forwarding or return postage, or both, on copies of second-class publications which are undeliverable at the original office of address shall be placed immediately under the sender's return card when the copies are enclosed in envelopes (see § 34.62 (b)), or on the wrappers, or on one of the outside covers of unwrapped copies. (See § 34.56 (b).)

(g) *Manner in which two or more copies bearing different addresses may be returned together.* Two or more undeliverable copies of the same publication bearing different addresses may be returned to the publication at one time under Form 3579. The copies must be securely tied together, and a facing slip showing the name of the office to which they are being sent and the number of copies must be placed on the package.

(h) *Treatment of two or more copies bearing the same address.* If two or more undeliverable copies of a publication bearing the same address accumulate in a post office box or elsewhere before the fact that they are undeliverable is ascertained, only one of the copies, preferably the copy of the latest issue, shall be returned to the publication under Form 3579.

(i) *When publisher refuses to pay postage due.* If the publisher refuses to pay the postage due on undeliverable copies of his publication returned to him under Form 3579, the postmaster shall immediately obtain the publisher's statement of his reasons for such refusal and make a full report of the matter to the Bureau of Finance.

(j) *Canadian matter.* Undeliverable Canadian second-class matter shall be given the same treatment as domestic matter of that class.

NOTE: See also § 43.12 (e), (h), (i), and (j), as to forwarding second-class matter under certain conditions stated therein.

b. In § 43.12 *Forwarding of mail* amend paragraphs (b) to (i), inclusive, to read as follows:

(b) *Second-, third- and fourth-class matter.* Under such regulations as the Postmaster General may prescribe, second-, third-, and fourth-class matter which is undeliverable as addressed may be forwarded to the addressee * * * and the postage for such service may be prepaid or collected on delivery of the matter in accordance with the instructions and pledge of the addressee or sender, as the case may be, to pay the forwarding * * * postage, and such matter, including that of a perishable or urgent nature, for which payment of

forwarding * * * postage is not pledged, may be forwarded * * * under such conditions as the Postmaster General shall prescribe, but when the addressee or sender refuses to pay the required postage, the forwarding * * * of further matter may be discontinued. (Sec. 1, Public Law 536, approved June 8, 1950.)

(c) *Notice to sender.* Under such regulations as the Postmaster General may prescribe, the addressee or sender of second-, third-, or fourth-class matter which is undeliverable as addressed may be so notified, and there shall be a charge for each such notice of not to exceed 5 cents. (Sec. 2 (a), Public Law 536, approved June 8, 1950.)

NOTE: See § 34.63 as to forwarding of second-class matter.

(d) *Matter which may be forwarded without additional postage charge.* Additional postage is not chargeable for forwarding of matter fully prepaid at the first-class rate, postal cards, post cards, and official matter.

(e) *Matter on which additional postage is charged for forwarding.* Additional postage shall be charged on mail of the second, third, and fourth classes every time it is forwarded. Such postage shall be charged on each individually addressed piece, and shall not be computed on the bulk weight of a number of pieces for the same addressee. Mail of these classes for which the addressee has guaranteed forwarding postage or which bears the pledge of the sender that postage for its forwarding will be paid (See § 43.48 as to pledge) shall be forwarded, without notice, to the addressee or such other person as the sender may direct in connection with his pledge, at another post office, charged with the amount of the forwarding postage. Third- and fourth-class matter of obvious value shall be forwarded to the addressee, without notice, charged with the amount of forwarding postage, regardless of whether it bears the sender's pledge or forwarding postage has been guaranteed by the addressee (See § 43.48 (1)). When mail charged with the forwarding postage is forwarded as provided in this section, such postage shall be collected on delivery by means of postage-due stamps. In each case the postage for forwarding mail of the third or fourth class shall be computed at the same rate as would be chargeable if the matter were originally mailed at the forwarding office. Matter of the second class when forwarded shall be charged with postage at the transient second-class rate. (See § 34.42 of this chapter.) Before matter is forwarded as herein provided, the postmaster shall make the necessary change in the address thereon, including the name of the new addressee when the sender requests in connection with his pledge to pay the forwarding postage that the matter be sent to some person other than the original addressee.

(f) *Pledge to pay forwarding postage.* A patron who submits an order to change address may, in connection therewith, guarantee payment of forwarding postage on third- or fourth-class matter forwarded to the new address. (See § 43.48

with respect to sender's pledge to pay forwarding postage.) When an addressee refuses to pay forwarding postage in accordance with his guarantee, the postmaster at the office to which the matter is forwarded shall notify the postmaster at the office of original address who shall discontinue forwarding further matter under the addressee's pledge. (See § 34.63 of this chapter as to pledge to pay forwarding postage on second-class matter.)

(g) *Card notice of forwarding.* When the sender of ordinary mail of the third and fourth classes desires to be notified in cases where the matter is incorrectly addressed because of removal of the addressee, he may indicate that fact on the matter itself in such manner as may be prescribed by the Bureau of Finance, in which case the postmaster at the office of address shall furnish the desired information, including the new address of the addressee, if known, on card Form 3547, for which a postage charge of 2 cents shall be collected upon delivery of the card notice to the sender of such mail.

NOTE: This regulation applies only to third and fourth class matter sent out in the regular course of business for purposes other than obtaining the address of the person to whom the matter is sent.

(h) *Mail addressed to discontinued post office.* Mail of the second, third, and fourth classes addressed to a discontinued post office may, when the office to which such mail is ordered sent by the Department is not convenient for the addressees, be transmitted to such office as they may designate, without additional charge.

(i) *Change of address because of change in postal service.* Patrons of any office who, on account of the establishment of or a change in rural-delivery service, receive their mail from the rural carrier of another office may have their mail of the second, third, and fourth classes sent to the latter office for delivery by the rural carrier without a new prepayment of postage, provided they first file with the postmaster at the former office a written request to that effect. This is not construed as "forwarding" within the meaning of the law.

c. In § 43.48 *Return of second-, third-, and fourth-class matter* make the following changes:

1. Amend the section caption to read as follows: "*Return of third- and fourth-class matter.*"

2. Delete paragraphs (e) and (h).

3. Amend paragraphs (a) (b), (c), (d) and (i) to read as follows:

(a) *Return postage.* Under such regulations as the Postmaster General may prescribe, * * *, third-, and fourth-class matter which is undeliverable as addressed may be * * * returned to the sender and the postage for such service may be prepaid or collected on delivery of the matter in accordance with the instructions and pledge of the * * * sender * * * to pay the * * * return postage, and such matter, including that of a perishable or urgent nature, for which payment of * * * return postage is not pledged, may be * * * returned under such condi-

tions as the Postmaster General shall prescribe, but when the addressee or sender refuses to pay the required postage, the * * * return of further matter may be discontinued. (Sec. 1, Public Law 536, approved June 8, 1950.)

NOTE: See § 43.12 as to the forwarding of second-, third-, and fourth-class matter; § 34.63 of this chapter as to the forwarding and return of second-class matter.

(b) *Matter returned to sender.* Undeliverable matter of the third and fourth classes which bears the pledge of the sender that postage for its return will be paid, and undeliverable third- and fourth-class matter of obvious value (See paragraph (i) of this section), which does not bear the pledge, shall be returned to the sender, without notice, rated with the postage chargeable for its return, such postage to be collected by means of postage-due stamps on delivery of the matter to the sender (See §§ 45.3 and 45.15 of this chapter relative to the handling of other undeliverable third- and fourth-class matter). Such matter as has first been forwarded from the office of the original address under the provisions of § 43.12 (e), without prepayment of the forwarding postage, is chargeable, when returned to the sender, with the postage for such forwarding, in addition to that required for its return, both to be collected on delivery of the matter as herein provided.

(c) *Manner in which sender's pledge should be indicated.* When the sender of matter of the third, or fourth class desires, in case it is undeliverable as originally addressed, that it be forwarded to the addressee or to some other designated person at another post office or that it be returned to the sender and the forwarding or return postage, or both, collected on delivery, he shall place on the matter an appropriate pledge that such postage will be paid. The pledge shall be placed immediately under the sender's return card, which the matter shall bear in every case, in the upper left corner of the address side. When the sender refuses to pay the forwarding or return postage in accordance with his pledge, report of all the facts shall be made to the Bureau of Finance, but acceptance of further matter bearing such pledge shall not be refused until specific instructions to do so are received.

(d) *Rates of postage for return.* The rates of postage for the return of matter of the third class are 2 cents for the first 2 ounces or fraction thereof and 1 cent for each additional ounce or fraction thereof, except that the rate on books, catalogs, seeds, cuttings, bulbs, roots, scions, and plants is 1½ cents for each 2 ounces or fraction thereof, up to and including 8 ounces; and of the fourth class, the rates prescribed in §§ 34.75 to 34.84, inclusive, of this chapter. In every case postage shall be computed on each separately addressed piece.

(i) *Definition of "obvious value".* Matter of obvious value within the meaning of this section is such as the postmaster may so regard, all registered, insured, and c. o. d. matter, and such as bears the pledge of the sender that postage for its forwarding and return will be furnished.

d. In Part 155 Forms of the Post Office Department make the following changes:

1. Amend § 155.704 Form 22; order to change address to read as follows:

§ 155.704 Form 22; order to change address. This is a card form providing space which must be completed by persons moving from one address to another to show the name of the person or firm changing address, the old address, and the new address. Space is also provided to check guarantee of forwarding postage for magazines, newspapers, circular matter and parcel post, and whether change of address is for entire family or firm, or for individual signer only.

2. Insert a new § 155.704a between § 155.704 and 155.705 to read as follows:

§ 155.704a Form 22-S; notice to publisher of change of address. This is a mailing card form providing, on one side, space for old address, new address, signature and date. On the reverse side is space for the name and address of the publisher of the magazine or newspaper to be notified of the change of address.

(R. S. 161, 396, secs. 304, 309, 42 Stat. 24, 25, Pub. Law 556, 81st Cong.; 5 U. S. C. 22, 369)

V. C. BURKE,

Acting Postmaster General.

[7. R. Doc. 51-3893; Filed, Mar. 30, 1951; 11:42 a. m.]

PART 127—INTERNATIONAL POSTAL SERVICE: POSTAGE RATES, SERVICE AVAILABLE, AND INSTRUCTIONS FOR MAILING

MEXICO

The Post Office Department has been informed by the Mexican Postal Administration concerning new import restrictions, now in effect, which apply to parcel post packages mailed in the United States for delivery in Mexico, and since compliance with the notice, public rule making procedure, and effective date requirements of the Administrative Procedure Act (5 U. S. C. 1003) is impracticable for the reason that such compliance would impede the due and timely execution of the functions of this Department, it is, therefore, ordered, That, effective at once, Part 127 be amended as follows:

In § 127.304 Mexico (16 F. R. 2349) amend subdivision (i) of paragraph (b) (9) to read as follows:

(i) *Import permits.* (a) A large variety of items require import permits to be obtained by the addressees in Mexico, when the value of the shipment is 100 Mexican pesos or over. Information as to what articles require import licenses, and as to rates of Mexican customs duty, may be obtained from the American Republics Division, Office of International Trade, Department of Commerce, Washington 25, D. C., or from any regional or district office of that Department.

(b) Each parcel whose contents exceed 400 pesos in value must have a copy of the relative invoice enclosed, and another copy must be sent directly to the

addressee for use in connection with the Mexican customs procedure.

(R. S. 161, 396, 398, secs. 304, 309, 42 Stat. 24, 25, 48 Stat. 943; 5 U. S. C. 22, 369, 372)

[SEAL]

V. C. BURKE,

Acting Postmaster General.

[F. R. Doc. 51-3890; Filed, Mar. 30, 1951; 8:45 a. m.]

TITLE 45—PUBLIC WELFARE

Chapter I—Office of Education, Federal Security Agency

PART 104—CONSTRUCTION OF SCHOOL FACILITIES IN AREAS AFFECTED BY FEDERAL ACTIVITIES

EXTENSION OF DEAD LINE AND ALTERATIONS IN ORDER OF CERTIFICATIONS

1. Section 104.3 (16 F. R. 769) is amended by striking the date, February 23, 1951, and substituting therefor the date, April 6, 1951, as follows:

§ 104.3 *Dead line for applications for payments from funds available for fiscal year 1951.* By reason of the foregoing April 6, 1951, is hereby fixed as the date before which all applications for payments out of funds available for the fiscal year 1951 shall be filed.

2. Section 104.4 is amended by striking the date, February 28, 1951, and substituting therefor the date, April 6, 1951. Subparagraph (2) of paragraph (a) of § 104.4 (16 F. R. 769) is amended by limiting the percentage of the school membership without school facilities which can be considered in a priority determination so that it may not exceed the percentage of school attendance with respect to which the local agency is eligible and the application is made. Proviso (b) to the said subparagraph (2) is amended by changing its coverage from Federal or other housing projects programmed for substantial completion by the beginning of the ensuing school year to Federal or other housing or housing units programmed for completion on or before January 1, 1952, and by allowing not only the school membership, as heretofore, but also the average daily attendance anticipated therefrom to be included in computing the priority percentages. A third proviso, (c) added to the said subparagraph (2), provides that certain school facilities which are scheduled for completion during the ensuing school year shall be deemed available facilities for purposes of the percentage described in subdivision (ii) of the said subparagraph (2). Section 104.4, as amended, reads as follows:

§ 104.4 *Order of making certifications from available funds.* Subject to the condition of readiness hereinafter stated, the order in which certifications required by subsections (a) and (b) of section 206, Public Law 815, 81st Congress, from funds appropriated and available therefor on April 6, 1951, will be made is as follows:

(a) *Preference to projects for school facilities where none are presently available.* Projects designed to provide school facilities for those for whom no facilities are presently available, as indicated in

subparagraph (1) of this paragraph will be preferred.

(1) *When children deemed to be without school facilities.* For the purposes of this section, children will be deemed to be without school facilities who (i) are in excess of the normal one-session-per-day capacity of available school facilities above the kindergarten level or (ii) are presently dependent upon a building or space which is unsafe, or the use of which for school purposes in view of its character, inaccessibility, or other equally cogent reason seriously prejudices or would seriously prejudice the educational objective. Mere obsolescence in terms of existing State standards or the use of temporary but otherwise adequate facilities will not in themselves constitute preference factors.

(2) *Determination of order of priority for payments.* The order of priority hereunder will be determined by adding (i) the percentage of the average daily attendance with respect to which the local agency is eligible and the application is made, to (ii) the percentage of the school membership within the same jurisdictional area who are without school facilities under the definition in subparagraph (1) of this paragraph, not counting so much of the combined percentages as exceed twice the amount of the percentage arrived at under subdivision (i) of this subparagraph. Subject to the foregoing, those projects with the highest combined percentages will be first certified for payment:

Provided however, (a) That where the jurisdictional area of the applicant with respect to which the application is made comprises an extensive territory and the Federal activity is localized within the area served by one or more attendance centers, and the other attendance centers within the District are substantially unavailable to meet the needs of such attendance centers affected by Federal activities, then, in such case, the percentages described in subdivision (i) and (ii) of this subparagraph will be determined with respect to the Federally affected attendance areas, and not with respect to the entire school district or jurisdiction: *And provided, (b)* That where Federal or other housing or housing units, undertaken primarily to house those with respect to whose children the applicant may claim Federal funds, have been provided for and scheduled for completion on or before January 1, 1952, then the average daily attendance and school membership anticipated from such construction shall be included in computing the percentages described in said subdivisions (i) and (ii) of this subparagraph: *And provided, (c)* That all school facilities for the construction of which contracts were let prior to February 28, 1951, and which are scheduled for completion during the ensuing school year, shall be considered as available facilities in determining the percentage described in subdivision (ii) of this subparagraph.

(3) *Responsibility of applicant and Regional Representative in priority determinations.* The applicant must submit as a part of its application all facts and circumstances in each case

which are pertinent to an accurate determination of priority status as above, and the Regional Representative will assume primary responsibility for designating and determining differentiated attendance centers under (a) of the proviso to subparagraph (2) of this paragraph and determining the school membership anticipated under (b) of the proviso to subparagraph (2) of this paragraph.

(b) *Certification of remaining funds and priority of construction applications*

over reimbursement applications. Federal funds not certified under paragraph (a) of this section may be drawn upon to replace or improve obsolescent, substandard, or temporary facilities, or for projects requiring amounts of Federal funds in excess of those necessary to provide minimum facilities as described in § 104.5. All applications under section 205 (b), Public Law 815, 81st Congress, will have as set forth in the statute priority over applications under section 205 (c), Public Law 815, 81st Congress.

(Sec. 208, 64 Stat. 975; 20 U. S. C. 278. Interprets or applies sec. 206, 64 Stat. 973; 20 U. S. C. 276)

Dated: March 15, 1951.

[SEAL] EARL J. McGRATH,
U. S. Commissioner of Education.

Approved:

JOHN L. THURSTON,
Acting Administrator, Federal
Security Agency.

[F. R. Doc. 51-3889; Filed, Mar. 30, 1951;
8:45 a. m.]

PROPOSED RULE MAKING

DEPARTMENT OF AGRICULTURE

Production and Marketing Administration

[7 CFR, Part 928]

[Docket No. AO-227]

HANDLING OF MILK IN NEOSHO VALLEY (KANSAS-MISSOURI) MARKETING AREA

NOTICE OF RECOMMENDED DECISION AND OP- PORTUNITY TO FILE WRITTEN EXCEPTIONS THERE TO WITH RESPECT TO PROPOSED MARKETING AGREEMENT AND ORDER

Pursuant to the provisions of the Agricultural Marketing Agreement Act of 1937, as amended (7 U. S. C. 601 et seq.), and the applicable rules of practice and procedure, as amended, governing the formulation of marketing agreements and orders (7 CFR Part 900), notice is hereby given of the filing with the Hearing Clerk of this recommended decision of the Assistant Administrator, Production and Marketing Administration, United States Department of Agriculture, with respect to a proposed marketing agreement and a proposed order regulating the handling of milk in the Neosho Valley (Kansas-Missouri) Marketing area.

Interested parties may file written exceptions to this recommended decision with the Hearing Clerk, Room 1353, South Building, United States Department of Agriculture, Washington 25, D. C., not later than the close of business on the 20th day after the publication of this recommended decision in the FEDERAL REGISTER. Exceptions should be filed in quadruplicate.

Preliminary statement. A public hearing, on the record of which the proposed marketing agreement and the proposed order were formulated, was called by the Production and Marketing Administration, United States Department of Agriculture, following receipt of a petition filed by the Southeast Kansas Grade A Milk Producers Association, Chanute, Kansas (now known as the K. M. O. Milk Producers Association). The public hearing was held in Chanute, Kansas, on November 13 to 17, 1950, inclusive, pursuant to a notice duly published in the FEDERAL REGISTER (15 F. R. 7186).

The material issues considered at the hearing were concerned with the following:

A. Whether the handling of milk in the Neosho Valley marketing area is in the current of interstate commerce or directly burdens, obstructs, or affects interstate commerce in milk or its products;

B. Whether marketing conditions justify the issuance of a marketing agreement or order regulating the handling of milk in the Neosho Valley marketing area; and

C. If issuance of such an agreement or order is justified, what its provisions should be.

The evidence on this last issue involved the following:

(1) The extent of the marketing area;
(2) The definition of "producer," "handler," "approved plant," "other source milk," and other terms;

(3) The classification and allocation of milk;

(4) The determination and level of class prices;

(5) Payments to producers;

(6) Administrative provisions necessary to carry out the foregoing provisions.

Findings and conclusions. Upon the basis of the evidence adduced at the hearing, it is hereby found and concluded that:

(A) The handling of milk produced for the Neosho Valley marketing area is in the current of interstate commerce and directly burdens, obstructs, or affects interstate commerce in milk and its products.

The marketing area as hereinafter proposed would include certain specified towns and cities in the States of Kansas and Missouri. Handlers located in the Missouri towns within the proposed area purchase milk in competition with handlers located in the State of Kansas. Such milk, so purchased and bottled in the State of Missouri, is sold on routes and through stores in both Missouri and Kansas. Handlers located in the Kansas portion of the proposed area purchase milk in the States of Oklahoma, Kansas, and Missouri. Milk so purchased is bottled in handlers' plants located in the State of Kansas and is disposed of on routes and through stores in the States of Kansas, Oklahoma, and Missouri. Milk purchased in the State of Oklahoma and in the extreme southern portion of the State of Kansas is purchased in competition with milk pur-

chased for the Tulsa and Muskogee, Oklahoma, fluid markets.

The Neosho Valley Cooperative Association, an operating cooperative which would be a handler under the proposed order, purchases Grade A milk in competition with other handlers and disposes of a substantial portion of such milk in areas outside of the States of Missouri and Kansas particularly during the short months of production. In addition, this cooperative association, as well as several other handlers in the market, operate manufacturing facilities and purchase substantial quantities of ungraded milk and cream which is disposed of as butter, condensed products, and nonfat dry milk solids competitively out of state on the open market. Ice cream, manufactured locally from ingredients purchased on the open market and from locally produced milk is sold in surrounding areas in the States of Oklahoma, Kansas, and Missouri. Butter manufactured in the State of Oklahoma is purchased by local handlers and disposed of to customers on routes in the States of Kansas and Missouri. Reddiwip manufactured in St. Louis, Missouri, is disposed of through stores and by local handlers on routes in the States of Missouri, Kansas, and Oklahoma.

From the foregoing it is clear that a substantial volume of the milk in the Neosho Valley market is moved physically in interstate commerce in the form of milk, ice cream, butter, and other manufactured dairy products and that the handling of milk in the market directly burdens, obstructs, and affects interstate commerce in milk and its products.

(B) Milk marketing conditions in the Neosho Valley market justify the issuance of a marketing agreement and order.

Producers delivering milk to handlers in the Neosho Valley market are not being paid for their milk on a use basis and there is no uniform pricing plan as among the several handlers with the result that producer prices for milk of similar quality and use vary substantially. While much of the market apparently operates on a base and surplus plan there is a wide difference in the application of such a plan as between handlers and accordingly a wide variation in the net returns to producers.

There is much dissatisfaction among producers in regard to the butterfat

testing of their milk. The record shows a number of instances where producers were paid on the same test for a number of pay periods which is an unusual occurrence when samples are properly taken and properly tested. Producers delivering part of their milk to each of two plants have been paid on substantially different tests at the two plants. In addition the record shows wide variations between plant tests and D. H. I. A. tests. Even when due consideration is given to the purpose and methods of D. H. I. A. testing these extreme variations appear unreasonable and strongly support the producers in their contention that they are presently paid on inaccurate tests.

At the present time producers do not have access to the necessary market information to enable them to market their milk efficiently. They have no voice in the sales of their milk or in the testing and weighing thereof. Many of the handlers in the market have refused to recognize the existence of a cooperative association which was formed by a large group of the producers on the market as an agency to represent them in the sales of their milk. The adverse attitude which certain handlers have taken toward the association has so disrupted the market that the cooperative association is reluctant to reveal the identity of its membership and in many instances new members specifically request that their identity not be revealed for fear of reprisals on the part of handlers to whom they dispose of their milk. As a result, the cooperative association has been unable to bargain effectively with handlers in the sale of milk for its members.

The issuance of an order would provide producers with the market information necessary for efficient marketing of their milk. Furthermore, the pricing of producer milk in accordance with its use, auditing of handlers' utilization of milk, and checking of weights and tests by an impartial agency under an order will aid in establishing and maintaining the orderly marketing of milk and its products in the Neosho Valley market.

(C) From the evidence, it is concluded that the proposed marketing agreement and order which are hereinafter set forth and all of the terms and conditions thereof, meet the needs of the Neosho Valley marketing area and will tend to effectuate the declared policy of the act. The following findings and conclusions are made with respect to the several provisions of the proposed marketing agreement and order.

(1) *Extent of the marketing area.* The marketing area should be defined to include all of the territory within the corporate limits of the municipalities of Pittsburg, Parsons, Independence, Coffeyville, Fort Scott, Iola, and Chanute, all in the State of Kansas, and the municipalities of Joplin, Carthage, and Neosho, all in the State of Missouri.

Each of these cities has a Grade A milk ordinance patterned after the standard U. S. Public Health Code and only milk of producers holding permits issued by the local health officer administering such ordinance, or milk accepted as Grade A on a reciprocity basis, is permitted to be bottled and sold in the area.

The cities herein proposed to constitute the marketing area are contained in an over-all area approximately 85 miles square (roughly 7,225 square miles). They represent the concentration of population and the principal area of Grade A milk competition for handlers who would be regulated. Certain handlers contended that the inclusion of these cities without the inclusion of additional towns, particularly in the surrounding Missouri area, would force them to operate at a competitive disadvantage with distributors who would not be regulated as to minimum paying prices to producers for milk. While the evidence does indicate that some of the handlers doing business in one or more of the cities in the proposed area, and who would be regulated under this proposed order, actually do a substantial part of their fluid business outside of the area, it appears that their primary competition in the outside area is either with distributors of Nongrade A milk or with other handlers who would be regulated under this proposed order. The record clearly indicates the interrelationship of the operations of affected handlers and while it is not apparent that any single handler distributes in each of the 10 proposed cities, the distribution routes of all handlers are so intermixed that it would be impractical to exclude any of the area as herein proposed. Since it is necessary to establish a boundary line for the marketing area at a logical point which will give due consideration to the problems as shown by the record, it is not possible to include additional territory on the evidence presented.

(2) *Definitions.* In order to designate clearly exactly what milk is to be subject to the pricing provisions of the order, which processors and distributors are to be subject to regulation and which dairy farmers will participate in the market pool it is necessary to define the terms "approved plant," "handler," "producer," and "other source milk."

It is intended that any producer holding a permit or rating issued by the appropriate health authority having jurisdiction in the marketing area and who delivered milk to a plant which disposes of at least 10 percent of its receipts of milk qualified for distribution as Grade A milk in the marketing area as Class I milk on wholesale or retail routes in the marketing area during the delivery period should be included in the market pool. Accordingly, an "approved plant" is designated as any milk processing plant, except that of a producer-handler, which is approved by the appropriate health authority having jurisdiction in the marketing area and from which 10 percent or more of the receipts during the delivery period of milk qualified for distribution as Grade A milk in the marketing area is disposed of during the delivery period on wholesale or retail routes (including plant stores) as Class I milk in the marketing area. The exemption of a distributing plant from which less than 10 percent of its approved receipts are disposed of as Class I milk on routes in the marketing area is necessary in this market to eliminate the influence on returns to producers caused by the operations of distributors who are

not primarily associated with the marketing area and to prevent possible hardship upon such distributors which might result from applying the provisions of the proposed order to the total operations of such distributors when they actually are more closely associated with other markets. In order to prevent these distributors from having a price advantage with respect to sales of Class I milk in the marketing area they should be required to pay into the producer-settlement fund the difference between the Class I and the Class II price on such milk disposed of in the marketing area. In addition, such distributors should be required to pay to the market administrator, as their share of the administrative cost of operating this order, the administrative assessment on the quantity of Class I milk disposed of in the marketing area, and they should also be required to make reports to the market administrator and to keep the necessary books and records of receipts and utilization and permit verification thereof.

The term "producer" should be defined as any person, other than a producer-handler, who produces milk under a dairy farm inspection permit or rating issued by the appropriate health authority which milk is received at an approved plant or is diverted from an approved plant to any milk distributing or milk manufacturing plant. In order to eliminate possible conflict between this order and other orders regulating the handling of milk in adjacent areas it is provided that the term "producer" shall not include a person with respect to milk produced by him which is received by a handler who does a greater percentage of his Class I business under another Federal marketing order.

The term "handler" should include any person in his capacity as the operator of an approved plant, a producer-handler, any person in his capacity as the operator of an unapproved plant from which milk is disposed of as Class I milk in the marketing area and a cooperative association with respect to milk of producers which it causes to be diverted to an unapproved plant. Milk diverted from an approved plant to an unapproved plant for the account of the approved plant operator should be considered as having been received at the approved plant since producers of such milk would ordinarily be regular suppliers of the market and as such should be assured the market blend price for their milk. The inclusion in the definition of a cooperative association, even though it might not operate a plant, will enable such a cooperative association to participate in the market pool with respect to milk of its members which it may have to divert to an unapproved plant.

"Other source milk" should be defined to include all skim milk and butterfat from a producer-handler or from a source other than producers or other handlers operating approved plants except any nonfluid milk product received and disposed of in the same form.

Other source milk is not normally available for the market either because it does not meet the normal quality requirements or because its availability is restricted by the people handling it.

Such milk should not share in the market pool. It is not priced under the terms of the order and to prevent its displacing the milk of producers which constitutes the regular supply of the market it is allocated to the lowest use in the handlers plant.

Since producer-handlers normally dispose of their milk during most of the year in Class I products, and since sales of Class I milk by these handlers would not be pooled, the pooling of any surplus milk purchased by handlers from producer-handlers would result in a preferential market for producer-handlers as compared with regular producers. Milk purchased from producer-handlers should be treated therefore as other source milk and would be unpriced under this proposed order. The inclusion, as other source milk, of all receipts from handlers as operators of unapproved plants assures the treatment of such milk in the same manner as is proposed for other nonproducer milk. Nonfluid milk products received and disposed of in the same form are not included as other source milk because they would not affect the classification of producer milk.

The terms "act," "person," "Secretary," "Department," "cooperative association," "producer milk," and "delivery period" are common to Federal milk marketing orders issued pursuant to the act and are defined to facilitate the drafting of the other provisions of the order.

(3) *Classification and allocation of milk.* The classification of milk should be as follows: Class I milk should include all skim milk and butterfat disposed of in fluid form (except as livestock feed) as milk, skim milk, butter-milk, milk drinks, cream, cultured sour cream, any mixture of cream and milk or skim milk (except bulk ice cream mix, eggnog, and aerated cream), all skim milk and butterfat in inventory at the end of the delivery period in the form of Class I items, and all skim milk and butterfat not specifically accounted for as Class II milk. Class II milk should include all skim milk and butterfat used to produce any product other than those specified in Class I, disposed of as livestock feed, as actual plant shrinkage of skim milk and butterfat in producer milk but not in excess of 2 percent of such receipts of skim milk and butterfat, respectively, except that during the delivery periods of April, May, and June actual shrinkage on skim milk in producer milk shall be limited to 5 percent of such receipts, and in actual plant shrinkage of skim milk and butterfat, respectively, in other source milk received.

The products to be classified as Class I are those which, under the several health ordinances in effect in the marketing area, are required to be made from approved milk. They are all derived from milk which is subject to the same transportation costs in moving from farm to market. These Class I items are all normally associated with a fluid milk business, and are all disposed of in the marketing area in fluid form through the same retail and wholesale channels as bottled fluid milk. Their physical

characteristics, purposes, values, and uses are more nearly similar to those of fluid milk than to the products to be classified as Class II. The inclusion as Class I of all inventory of skim milk and butterfat in fluid items does not affect either producer returns or handlers' costs for milk over a period of time. It does, however, minimize the work of the market administrator in the reclassification and resulting audit adjustments which otherwise result when fluid items in inventory are later disposed of as Class I milk.

Skim milk and butterfat contained in cream and cream mixtures are subject to the same production costs as milk for other fluid uses. Furthermore, milk so utilized is the same quality of milk as is disposed of in other Class I products and is subject to the same transportation costs in moving from the farm to the handler's plant. In addition, the separate accounting of skim milk and butterfat herein proposed and the pricing thereof results in handlers being charged only for the exact volume of skim milk or butterfat actually disposed of in any particular use.

The products to be classified in Class II are not required under the local health ordinances to be made from approved milk. Producer milk in excess of the needs of local handlers for milk for Class I use must compete with ungraded milk over which it commands no premium for manufacturing uses. Accordingly, such excess milk must be classified in a lower class than that utilized for fluid products. In this manner a lower pricing is provided for such milk which lower pricing is necessary to assure the free movement of such excess supplies into manufacturing channels without burdensome competitive disadvantages to affected handlers.

Producers proposed a 1 percent maximum shrinkage allowance in the lowest use class while handlers proposed a minimum 3 percent allowance and in addition proposed that dumped milk be classified as Class II. Dumping results in complete disappearance of the skim milk and butterfat involved and it would be necessary in order to adequately protect producer interests that a representative of the market administrator's office be in a position to witness the actual dumping. The geographical characteristics of this particular marketing area, consisting as it does of 10 separate municipalities, and the fact that most of the handlers deal in relatively small volumes of milk make it impractical to allow dumped milk to be classified as Class II. Any excess butterfat which cannot be disposed of for fluid uses or in other higher valued products can be utilized locally in the manufacture of butter. Hence under no circumstances should it be necessary to dispose of whole milk or butterfat by dumping. There are ample manufacturing facilities in the area to handle any prospective local surpluses and these manufacturing plants at times import milk from substantial distances to supplement their local supplies. Moreover, most of the handlers are short of producer milk during the fall and winter months. A Class II classification for producer skim milk

which is dumped at the same time that other source milk is being received for fluid use cannot be justified. This narrows the consideration to one of a lower classification for skim milk dumped during the peak production months when supplies of local producer milk exceed the demand for fluid uses. In this connection it is proposed that for purposes of this order any milk, skim milk, or cream which is dumped be considered unaccounted for milk which, except in the case of skim milk during the months of April through June should be included as allowable shrinkage within the limits of 2 percent of producer receipts. An allowable shrinkage on skim milk of 5 percent during the months of April through June should serve to alleviate any hardship to individual handlers resulting from excess volumes in amounts too small to justify transporting to manufacturing plants or otherwise disposing of as Class II products. Unaccounted for producer milk in excess of allowable shrinkage should be classified as Class I. No limit is proposed for shrinkage of other source milk allowed in Class II since such milk is deducted from the lowest use class under the allocation provisions.

It is not administratively feasible to segregate the actual plant shrinkage on producer milk from shrinkage on other source milk in the same plant. Accordingly, in such case, the shrinkage of skim milk and butterfat, respectively, allocated to producer milk and to other source milk should be computed pro rata in proportion to the volumes of skim milk and butterfat, respectively, received from such sources.

The allocation provisions should provide that other source milk, which is unpriced, be allocated to the lowest use in the handler's plant. This is done to prevent other source milk from displacing the milk of producers which constitutes the regular supply of the market.

In establishing the classification of milk the responsibility should be placed upon the handler who first receives milk from producers to account for all skim milk and butterfat received at his approved plant and to prove to the market administrator that such skim milk and butterfat should be classified as other than Class I. The handler who first receives milk from producers is responsible for reporting the proper utilization of such milk and making full payment for it. He must, therefore, maintain records to furnish adequate proof of utilization to the market administrator.

Provision should be made in the order to cover the classification of skim milk and butterfat transferred from an approved plant to another approved plant or to an unapproved plant. In the case of transfers between approved plants classification should be on the basis of written agreement between the affected handlers to the extent of utilization in the agreed use in the transferee plant. This provision affords suitable flexibility in the pricing, classification, and accounting for of milk transferred. It does not affect producer returns because all of the milk is accounted for in the pool computation in any event. In order to assure adequate protection of producers

in the classification of their milk it should be provided that in case other source milk is received in either or both plants the classification of milk in each plant shall be made in such a manner as will return the higher class utilization to producer milk.

Transfers to a producer-handler should be classified as Class I milk. Producer-handlers ordinarily carry on only fluid operations and any milk which they purchase from a handler would normally be for fluid uses. Accordingly, it is unnecessary to provide for the classification of such a transfer in a lower use class.

Transfers to an unapproved plant located not more than 250 miles from the square at Chanute, Kansas, and from which Class I milk is disposed of should be classified on the basis of written agreement in the same manner as is proposed for transfers between approved plants, except that the individual dairy farmers delivering milk direct to such plant should be assured of the highest available use in such plant. This would facilitate the movement of skim milk and butterfat in excess of Class I needs and at the same time protect producers in the classification of their milk by requiring records to prove to the market administrator that an equivalent amount of skim milk and butterfat was actually used in the claimed class.

Transfers of milk, skim milk, or cream to an unapproved plant within the 250 mile limit and from which no Class I milk is disposed of should be Class II, since that necessarily would be the highest use in such plant.

Transfers of skim milk and butterfat in the form of milk or skim milk to an unapproved plant located in excess of 250 miles from the square of Chanute, Kansas, should be classified as Class I. Milk and skim milk ordinarily does not move long distances for other than fluid uses. The record shows that there are ample manufacturing outlets within the proposed 250 mile radius to dispose of any prospective surplus of producer milk. Accordingly, it is unnecessary to provide for such transfer of skim milk and butterfat in the form of milk or skim milk as other than Class I and it would be administratively impractical to do so because the market administrator would have to verify any claimed utilization in Class II.

Transfers in the form of cream to an unapproved plant beyond the 250 mile limit should be classified as Class II. Cream is less bulky than milk or skim milk and ordinarily can be moved much greater distances for other than fluid uses. Proponents proposed that skim milk and butterfat in the form of cream should be Class I if so moved under a Grade A certification. However, they offered no evidence in support of such a provision. While this provision is contained in the Federal marketing orders of several nearby areas it would be impossible to adopt such a provision without specific evidence indicating that the conditions which prompted the adoption of this proposal in those markets also prevail in the Neosho Valley area.

4. *Class prices.* Class I milk prices in this area should be based on prices paid

for milk used for manufacturing purposes. Prices paid for milk used for fluid purposes in this area have been closely related to prices paid for milk for manufacturing purposes. Production and marketing of milk for each type of outlet are subject to many of the same economic factors. Since the market for most manufactured products is country-wide, prices of manufactured dairy products reflect many of the changes in the general economic conditions affecting the supply and demand for milk. Moreover, butter, powder, and cheese prices, or the prices paid by condenseries with differentials over these basic or manufacturing prices are frequently used to establish fluid milk prices in those areas where the production of manufacturing quality milk is a significant factor in the total potential supply of milk for the market. The production of manufacturing quality milk in the supply area of the Neosho Valley area is a significant factor in the availability of milk for this market indicating the feasibility of a Class I pricing formula based on the prices of milk for manufacturing uses. Differentials over the basic formula are needed to cover the cost of meeting quality requirements in the production of market milk and to furnish the necessary incentive to get such milk produced.

The basic formula price to be used in establishing the current delivery period price for Class I milk of 4.0 percent butterfat content should be the highest of the following for the preceding month: the prices paid to farmers at 18 milk manufacturing plants in Wisconsin and Michigan for milk of 3.5 percent butterfat content adjusted to a 4.0 percent basis; a formula price based upon the market price of butter and powder; or the average price paid to farmers for milk of 4.0 percent butterfat content by specified local manufacturing plants.

Pricing of producer milk on a 4.0 percent butterfat basis follows the usual custom of the market and no objection was made to the proposal. The components of the basic formula price herein decided upon are the same as those in effect in the Tulsa market. A correlation of the movement of prices in the two markets is necessary since certain of the Neosho Valley handlers compete with Tulsa handlers for supplies and sales. In addition the components are sufficiently similar to those in effect in the Kansas City and Wichita markets to assure a reasonable alignment of the movement of prices with these markets with which other Neosho Valley handlers compete for supplies and sales. The use of the previous month's manufacturing values in determining the basic formula price for the current delivery period permits handlers to know their milk costs at the time of purchase and is consistent with the practice in the surrounding federal order markets.

The Class I differential should be fixed at \$1.00 per hundredweight over the basic formula price during the delivery periods of April through June and at \$1.45 per hundredweight over the basic formula price during the delivery periods of July through March. Such a pricing serves to maintain the Class I price in the area at approximately the same level as is

presently paid for milk by handlers in the Wichita and Kansas City markets and slightly below prices paid by handlers in the Tulsa market. This pricing is somewhat higher than the average currently paid by handlers in the Neosho Valley market. During the month of September 1950, the Class I price would have been \$4.83 whereas actual prices paid by dealers varied from \$4.05 to \$4.618 per hundredweight for all milk which was primarily disposed of in uses which would be Class I under the order. The existing pricing structure has not been satisfactory, however, for it has not brought in an adequate year-round supply of milk. Handlers in the market at the time of the hearing were importing other source milk to meet local fluid requirements and several of the larger handlers had little or no surplus milk even in the flush production months, notwithstanding the fact that the evidence indicates a considerable seasonal swing in production. Production during the short months of September, October, and November 1949, was approximately 70 percent of the production during the flush months of April, May, and June 1950.

Producers proposed that the Class I differential be a flat \$1.65 the year round, contending that handlers did not reflect changes in producer prices in their resale price and consequently the adjustment to a desirable seasonal production pattern should be left to the operation of a base-rating plan. In this connection, however, the question of handler resale prices is not relevant.

The use of seasonal differentials in the pricing of Class I milk follows the pricing scheme in effect in the Tulsa, Kansas City, and Wichita markets with which Neosho area prices must be aligned.

Because of the wide variation in producer receipts between the spring and fall months it is concluded that no changes should be permitted in the proposed pricing for Class I milk which would tend to discourage a desired leveling of production throughout the year. This can best be prevented by providing for a contraseasonal provision. Such a provision would prevent any decrease in the Class I price during the months of September through December when production costs are highest and any increase in such price during the months of April through June when production costs are lowest.

Certain handlers proposed a lower pricing for milk sold (in bulk) as Class I, outside of the marketing area, contending that without such a pricing they could not compete for outside sales and that as a result local producers would receive less total money for their milk. A lower pricing for fluid milk sold outside the marketing area is not justified. Milk disposed of by local handlers to outside areas is the same quality as that disposed of within the marketing area and is subject to the same transportation costs in moving from the farm to the handler's plant. Furthermore, such bulk sales by local handlers have no aspects of an outlet for seasonal surplus of producer milk but in fact occur primarily during the short production months when other handlers in the mar-

ket are importing supplemental supplies to meet local fluid requirements.

The level of pricing herein proposed is established with a view to providing an adequate supply of milk to meet the normal needs of local handlers. Bulk sales to outside areas during the short production season when local supplies are inadequate cannot be construed as a normal requirement of local handlers. Rather the consummation of such sales offers strong support to producers' claims of an inadequate return for their milk. A lower pricing for milk sold outside of the marketing area would require a higher pricing for locally consumed milk which would result in local consumers subsidizing consumers in other markets to which such sales were made.

The price for Class II milk should be based on the average of the prices paid for milk during the current delivery period by four nearby milk manufacturing plants. The use of local manufacturing plants was supported by both producers and handlers and the price paid at the plants herein proposed should be representative of the value of manufacturing milk in the Neosho Valley area. Since handlers compete with these plants in the sale of products included in Class II milk and from time to time dispose of some of their surplus milk to one or another of these plants, it is necessary that producer milk going into such products be priced at a level comparable to the prices paid for milk by such plants in order to insure a market for producer milk in excess of fluid requirements. Such a pricing would have resulted in an average Class II price in the Neosho marketing area during the year 1950 of \$3.18 as compared to a price of \$2.97 for such milk under the Wichita order and a price of \$3.00 under the Kansas City order prior to the recent amendment or \$3.26 under the present order provisions. For the eight month period of May through December 1950 the Neosho price would have averaged \$3.22 as compared to \$3.14 under the Tulsa order, \$2.97 under the Oklahoma City order, \$2.97 under the Wichita order and \$3.02 under the Kansas City order prior to the recent amendment or \$3.28 under the present order provisions.

The class prices computed and publicly announced by the market administrator under the terms of the order would be those for milk containing 4.0 percent butterfat. The class prices for each handler should be adjusted by a butterfat differential to reflect the average test of producer milk classified in each class. Such differential for Class II milk shall be computed on the basis of the price of Grade A (92-score) bulk creamery butter at Chicago for the delivery period plus 15 percent. This differential is in line with the general level of the price of butterfat in the area for manufacturing uses. With regard to Class I milk, such differential should be computed at the basis of the price of Grade A (92-score) bulk creamery butter at Chicago for the preceding delivery period plus 25 percent, reflecting the higher valued use of butterfat for fluid uses. These differentials are the same as those currently in effect in the Tulsa market.

5. Payments to producers. The "market-wide" type of pool with base-rating plan should be established in this order for the purpose of distributing among producers returns from the sale of their milk. Under this plan all producers receive the same uniform price for their milk (or when bases are applicable a uniform price for base milk and a uniform price for milk in excess of base) irrespective of the utilization made of such milk by individual handlers.

The alternative to the market-wide pool is the individual-handler pool. Under this latter system producers delivering to each handler receive a uniform price based on each handler's utilization of milk. Because different handlers utilize different proportions of their milk as Class I and Class II, the uniform prices of individual handlers would vary one from the other. A cooperative association representing a large segment of the producers in the market has proposed that the order be so written as to enable it to become a handler when necessary to market the surplus milk of its members. Under these circumstances an individual-handler pool would result in an unequal sharing of the market among producers and would not be conducive to orderly marketing. The order has been written to permit a cooperative association to become a handler and it is therefore concluded that a market-wide pool is necessary to distribute the returns from the sale of milk equally among producers and to create orderly marketing of producer milk. In addition the use of a market-wide type of pooling will facilitate the distribution among producers of compensatory payments required from nonpool handlers under certain conditions.

In the computation of the value of producer milk, provision should be made for the inclusion of the value of milk classified in excess of reported receipts from producers, other handlers, and other sources. This provision is found in other milk orders and is necessary to account for differences between the reported and actual weights and tests of milk received from producers.

The butterfat differential to be used in making payments to producers should be fixed at one-tenth of the price of Grade A (92-score) butter on the Chicago market multiplied by 1.2. This differential is the same as that established under the Tulsa and Oklahoma City marketing orders. The producer butterfat differential merely affects the proration of returns among producers, and it in no way affects handlers' costs for milk.

The distribution among producers of the returns from the sales of milk should be made through the medium of a base-rating plan. There is a wide variation in producer receipts from season to season which both producers and handlers recognize as an undesirable situation in the market. The proposal for a base-rating plan is supported by both the producers association and handlers in the market. While many of the handlers have developed some modification of a base-rating plan for paying their producers the actual operations of these plans have been very limited and conse-

quently ineffective in accomplishing the objective of an evening out of the seasonal variations in milk deliveries. Under the plan as hereinafter provided new bases would be established each year on the basis of total deliveries made by each producer during the short production months of September through December. The market administrator would compute the base of each producer from whom each handler received milk during the base period and notify each producer of his established base on or before the 15th day of February of each year. The bases so established would be used in making payments to producers during the months of greatest production, i. e., April through June.

A uniform price for base milk during these months would be computed which would reflect the residual value of milk for the market as a whole after the prior assignment of deliveries of milk in excess of base to the lowest available use class. The price of base milk would thus be enhanced above the average for the market and the uniform price for excess milk would be below the average. The lower price applicable to milk in excess of base deliveries tends to limit the deliveries of such milk during the months of surplus production. Conversely, the value of a large base gives impetus to the delivery of milk in the season of short production. The influences of these two forces tends to cause a more even seasonal pattern of milk deliveries than if payments were made during all months of the year on a straight uniform price basis.

It is necessary to provide certain rules in connection with the establishment and transfer of bases to provide reasonable administrative workability of the plan. In order to accomplish this purpose and preserve the effectiveness of the plan no provisions should be made for the transfer of partial bases. However, transfer of the entire base of an individual producer to members of his family in case of death, retirement or entry into military service is permitted. Provision is also made for transfer of the entire base in the case of the termination of joint landlord-tenant relationships. In case a producer discontinues milk shipments for more than 45 consecutive days he shall forfeit his entire base. These rules should assure the workability of the plan and at the same time place no undue hardship upon any producer since the established bases are effective in determining producer payments in only three of the twelve months of each year.

Although uniform prices are computed once a month, provision should be made to pay producers on a semimonthly basis. The majority of producers on the market have customarily been paid twice a month and it is concluded that this practice should be continued. The advance payment to be made on or before the last day of the delivery period and covering receipts of producer milk during the first 15 days of the delivery period should be at not less than the Class II price for the preceding delivery period. Payment at this rate will largely eliminate the possibility of handlers making overpayments to producers who may leave the market before the end of the delivery

period. Final payment for milk received during each delivery period should be made on or before the 16th day after the end of the delivery period.

In the case of a qualified cooperative association, who so requests, the handler should make the advance and final payments sufficiently in advance of the date for payment to other producers to enable the cooperative association to pay its members at that date. The dates which have been provided for these various payments are so spaced that ample time is provided the handlers and the market administrator for the filing of reports, the computation of the various prices and the writing and mailing of checks.

6. Certain other provisions should be adopted to enable proper and efficient administration of the order.

(a) *Administrative assessment.* Each handler should be required to pay to the market administrator, as his pro rata share of the cost of administration of the order, 5 cents per hundredweight, or such lesser sum as the Secretary may from time to time prescribe, on all receipts at his pool plant within the delivery period of (1) milk from producers (including such handler's own production) and (2) other source milk which is classified as Class I.

The market administrator must have sufficient funds to enable him to administer properly the terms of the order and the act provides that the administration of the order be financed through assessment against handlers. In view of the anticipated volume of milk on which the rate would apply it is concluded that a maximum rate of 5 cents per hundredweight is necessary at this time to guarantee sufficient administrative funds. In the event at a later date a lesser amount proves to be sufficient for proper administration, provision is made to enable the Secretary to reduce the assessment accordingly.

(b) *Deductions for marketing services.* Provision should be made for the dissemination of market information to producers and for the verification of weights and for the sampling and testing of milk received from producers for whom such services are not being rendered by a qualified cooperative association. This provision, including the assessing of producers in payment thereof, is specifically authorized by the act. Five cents per hundredweight or such lesser rate as the Secretary may determine should be deducted by handlers from the payment to producers and turned over to the market administrator to finance such services. This rate was proposed by producer groups who have had experience with check sampling, weighing, and testing programs in the marketing area. In the event any qualified cooperative association is determined to be performing such services for any producer, handlers should pay to the cooperative association such deductions as are authorized by such producer in lieu of the payment to the market administrator.

(c) *Other administrative provisions.* The other provisions of the order are of a general administrative nature, are incidental to the other provisions of the order, and are necessary for the proper and efficient administration of the order.

They provide for the selection of the market administrator, define his powers and duties, prescribe the information to be reported by handlers each month and the length of time that records must be retained. A plan for liquidation of the order in the event of its suspension or termination should also be provided.

Producer-handlers should be exempt from the regulatory provisions of the order except that they should be required to file reports as requested by the market administrator. Since a producer-handler may change his status from time to time it is necessary that the market administrator have authority to require such reports as will enable him to verify the current status of a producer-handler and to supplement other market information.

A pool plant which is subject to the regulatory provisions of another milk marketing agreement or order issued pursuant to the act and which the Secretary determines disposes of a greater volume of its Class I milk in such other marketing area than in this marketing area should be partially exempt from the provisions of this order. It would be impractical to attempt to regulate a handler under two separate orders with respect to the same milk. Accordingly, it should be provided that if a pool plant disposes of a greater volume of its Class I milk in a marketing area, regulated by another Federal milk marketing order, than is disposed of in this marketing area such plant shall be exempt from the pricing, payment, administrative assessment, and marketing service provisions of this order. Such a handler, however, should make reports with respect to receipts and utilization as the market administrator may require.

The order should provide limitations on the period of time handlers shall retain books and records which are required to be made available to the market administrator, and on the period of time in which obligations under the order shall terminate. The provision made in this regard is identical in principle with the general amendment made to all orders in operation on July 30, 1947, effective February 22, 1949, and the Secretary's decision of January 26, 1949 (14 F. R. 444), covering the retention of records and limitation of claims is equally applicable in this situation and is adopted as a part of this decision.

General findings. (a) The proposed marketing agreement and the order and all of the terms and conditions thereof will tend to effectuate the declared policy of the act;

(b) The parity prices of milk as determined pursuant to section 2 of the act are not reasonable in view of the price of feeds, available supplies of feeds, and other economic conditions which affect market supply of and demand for milk in the marketing area, and the minimum prices specified in the proposed marketing agreement and the order are such prices as will reflect the aforesaid factors, insure a sufficient quantity of pure and wholesome milk, and be in the public interest; and

(c) The proposed order will regulate the handling of milk in the same manner as, and will be applicable only to per-

sons in the respective classes of industrial and commercial activity specified in a marketing agreement upon which a hearing has been held.

Proposed findings and conclusions. Briefs were filed on behalf of the K. M. O. Milk Producers Association (formerly the Southeast Kansas Grade A Milk Producers Association) and the majority of the handlers who would be regulated. The briefs contained proposed findings of facts, conclusions, and arguments with respect to the proposals discussed at the hearing. Every point covered in the briefs was carefully considered along with the evidence in the record in making the findings and reaching the conclusions hereinafter set forth. To the extent that such suggested findings and conclusions contained in the briefs are inconsistent with the findings and conclusions contained herein the request to make such findings or to reach such conclusions is denied on the basis of the facts found and stated in connection with the conclusions in this decision.

Recommended marketing agreement and order. The following order is recommended as the detailed and appropriate means by which these conclusions may be carried out. The proposed marketing agreement is not included because the regulatory provisions thereof would be the same as those contained in the order.

DEFINITIONS

§ 928.1 *Act.* "Act" means Public Act No. 10, 73d Congress, as amended, and as reenacted and amended by the Agricultural Marketing Agreement Act of 1937, as amended (7 U. S. C. 1940 ed. 601 et seq.)

§ 928.2 *Secretary.* "Secretary" means the Secretary of Agriculture or any other officer or employee of the United States authorized to exercise the powers or to perform the duties of the said Secretary of Agriculture.

§ 928.3 *Department.* "Department" means the United States Department of Agriculture or such other Federal agency as is authorized to perform the price reporting functions of the United States Department of Agriculture.

§ 928.4 *Person.* "Person" means any individual, partnership, corporation, association, or any other business unit.

§ 928.5 *Cooperative association.* "Cooperative association" means any cooperative marketing association of producers which the Secretary determines after application by the association:

(a) To be qualified under the provisions of the act of Congress of February 18, 1922, as amended, known as the "Capper-Volstead Act"; and,

(b) Is authorized by its members to make collective sales or to market milk or its products for its members.

§ 928.6 *Neosho Valley marketing area.* "Neosho Valley marketing area," hereinafter called the "marketing area" means all of the territory within the corporate limits of the municipalities of Pittsburg, Parsons, Independence, Coffeyville, Fort Scott, Iola, and Chanute, all in the State of Kansas, and of the

municipalities of Joplin, Carthage, and Neosho, all in the State of Missouri.

§ 928.7 *Approved plant.* "Approved plant" means any milk processing plant, except that of a producer-handler, which is approved by the appropriate health authority having jurisdiction in the marketing area and from which 10 percent or more of the receipts during the delivery period of milk qualified for distribution as Grade A milk in the marketing area is disposed of during the delivery period on wholesale or retail routes (including plant stores) as Class I milk in the marketing area.

§ 928.8 *Handler.* "Handler" means: (a) Any person in his capacity as the operator of an approved plant, (b) a producer-handler, (c) any person, except a producer-handler, in his capacity as the operator of an unapproved plant from which milk is disposed of during the delivery period on wholesale or retail routes (including plant stores) as Class I milk in the marketing area, and (d) any cooperative association with respect to the milk of producers which it causes to be diverted to an unapproved plant for the account of such association.

§ 928.9 *Producer.* "Producer" means any person, other than a producer-handler, who produces milk under a dairy farm permit or rating issued by the appropriate health authority having jurisdiction in the marketing area over the production of milk disposed of for consumption as Grade A milk which milk is (a) received at an approved plant, or (b) diverted from an approved plant to any milk distributing or milk manufacturing plant: *Provided*, That such milk so diverted shall be deemed to have been received by the handler for whose account it was diverted: *And provided further*, That this definition shall not include a person with respect to milk produced by him which is received by a handler who is partially exempted from the provisions of this part pursuant to §§ 928.61 and 928.62.

§ 928.10 *Producer-handler.* "Producer-handler" means any person who processes milk from his own farm production, all or a portion of which is disposed of as Class I milk, within the marketing area, and who receives no milk from producers.

§ 928.11 *Other source milk.* "Other source milk" means all skim milk and butterfat received in any form from a producer-handler or from a source other than producers or another handler in his capacity as the operator of an approved plant except any nonfluid milk product received and disposed of in the same form.

§ 928.12 *Delivery period.* "Delivery period" means a calendar month, or any portion thereof during which this part is in effect.

MARKET ADMINISTRATOR

§ 928.20 *Designation.* The agency for the administration of this part shall be a market administrator, selected by the Secretary, who shall be entitled to such compensation as may be determined by

and shall be subject to removal at the discretion of, the Secretary.

§ 928.21 *Powers.* The market administrator shall have the following powers with respect to this part:

- (a) To administer its terms and provisions;
- (b) To receive, investigate, and report to the Secretary complaints of violations;
- (c) To make rules and regulations to effectuate its terms and provisions; and
- (d) To recommend amendments to the Secretary.

§ 928.22 *Duties.* The market administrator shall perform all duties necessary to administer the terms and provisions of this part, including but not limited to the following:

- (a) Within 30 days following the date on which he enters upon his duties, or such lesser period as may be prescribed by the Secretary, execute and deliver to the Secretary a bond, effective as of the date on which he enters upon his duties and conditioned upon the faithful performance of such duties, in an amount and with surety thereon satisfactory to the Secretary;

- (b) Employ and fix the compensation of such persons as may be necessary to enable him to administer the terms and provisions of this part;

- (c) Obtain a bond in a reasonable amount and with reasonable surety thereon covering each employee who handles funds entrusted to the market administrator;

- (d) Pay out of the funds provided by § 928.97 the cost of his bond and those of his employees, his own compensation, and all other expenses, except those incurred under § 928.96, necessarily incurred by him in the maintenance and functioning of his office and in the performance of his duties;

- (e) Keep such books and records as will clearly reflect the transactions provided for in this part, and upon request by the Secretary surrender the same to such other person as the Secretary may designate;

- (f) Submit his books and records to examination by the Secretary and furnish such information and reports as may be requested by the Secretary;

- (g) Verify all reports and payments by each handler by audit, if necessary, of such handler's records and of the records of any other handler or person upon whose utilization the classification of skim milk or butterfat for such handler depends;

- (h) Publicly announce at his discretion, unless otherwise directed by the Secretary, by posting in a conspicuous place in his office or by such other means as he deems appropriate, the name of any person who, within 10 days after the date upon which he is required to perform such acts, has not made (1) reports pursuant to §§ 928.30 through 928.32, or (2) payments pursuant to §§ 928.90 through 928.97;

- (i) On or before the 11th day after the end of each delivery period, report to each cooperative association which so requests, the amount and class utilization of the milk caused to be delivered to each handler by such cooperative as-

sociation, either directly or from producers who are members of such cooperative association. For purposes of this report, the milk so delivered by a cooperative association shall be prorated to each class in the proportion that the total quantity of producer milk received by such handler was to the quantity of milk in each class;

- (j) Publicly announce by posting in a conspicuous place in his office and by such other means as he deems appropriate the prices determined for each delivery period as follows:

(1) On or before the 5th day of each delivery period the minimum price for Class I milk computed pursuant to § 928.51 (a) and the Class I butterfat differential computed pursuant to § 928.52 both for the current delivery period; and the minimum price for Class II milk computed pursuant to § 928.51 (b) and the Class II butterfat differential computed pursuant to § 928.52, both for the previous delivery period, and

(2) On or before the 11th day of each delivery period the uniform prices computed pursuant to §§ 928.71 and 928.72 and the butterfat differential computed pursuant to § 928.91, both for the previous delivery period; and

- (k) Prepare and disseminate to the public such statistics and information as he deems advisable and as do not reveal confidential information.

REPORTS, RECORDS AND FACILITIES

§ 928.30 *Delivery period reports of receipts and utilization.* On or before the 7th day after the end of each delivery period each handler shall report to the market administrator in the detail and on forms prescribed by the market administrator:

- (a) The quantities of skim milk and butterfat contained in (1) all receipts at his approved plant(s) within such delivery period of:

- (i) Milk received from producers,
- (ii) Skim milk and butterfat in any form from other pool handlers, and
- (iii) Other source milk.

- (2) Milk diverted pursuant to § 928.9 (b).

- (b) The utilization of all skim milk and butterfat required to be reported pursuant to paragraph (a) of this section; and

- (c) Such other information with respect to receipts and utilization as the market administrator may prescribe.

§ 928.31 *Payroll reports.* On or before the 20th day of each delivery period each handler shall submit to the market administrator his producer payroll for the preceding delivery period which shall show (a) the total pounds of milk received from each producer or cooperative association, and the total pounds of butterfat contained in such milk; (b) the net amount of such handler's payment to each producer or cooperative association; and (c) the nature and amount of any deductions or charges involved in such payments.

§ 928.32 *Other reports.* (a) Each producer-handler shall make reports to the market administrator at such time and in such manner as the market administrator may prescribe.

PROPOSED RULE MAKING

(b) Each handler who causes milk to be diverted shall prior to such diversion, report to the market administrator and to the cooperative association of which such producer is a member, his intention to divert such milk, the proposed date or dates of such diversion, and the plant to which such milk is to be diverted.

§ 928.33 *Records and facilities.* Each handler shall maintain and make available to the market administrator or to his representative during the usual hours of business such accounts and records of his operations and such facilities as are necessary for the market administrator to verify or establish the correct data with respect to:

(a) The receipts and utilization of all skim milk and butterfat contained in producer milk and other source milk;

(b) The weights of butterfat and skim milk in all milk, skim milk, cream and milk products handled; and

(c) Payments to producers and cooperative associations.

§ 928.34 *Retention of records.* All books and records required under this order to be made available to the market administrator shall be retained by the handler for a period of three years to begin at the end of the calendar month to which such books and records pertain: *Provided*, That if, within such three-year period, the market administrator notifies the handler in writing that the retention of such books and records, or of specified books and records, is necessary in connection with a proceeding under section 8c (15) (A) of the act or a court action specified in such notice, the handler shall retain such books and records, or specified books and records, until further written notification from the market administrator. In either case, the market administrator shall give further written notification to the handler promptly, upon the termination of the litigation or when the records are no longer necessary in connection therewith.

CLASSIFICATION

§ 928.40 *Skim milk and butterfat to be classified.* All skim milk and butterfat received within the delivery period by a handler and which is required to be reported pursuant to § 928.30 shall be classified by the market administrator pursuant to the provisions of §§ 928.41 through 928.46.

§ 928.41 *Classes of utilization.* Subject to the conditions set forth in §§ 928.43 and 928.44, the classes of utilization shall be as follows:

(a) Class I milk shall be all skim milk (including reconstituted skim milk) and butterfat disposed of in fluid form (except as livestock feed) as milk, skim milk, buttermilk, flavored milk, flavored milk drinks, cream, cultured sour cream, any mixture of cream and milk or skim milk (except bulk ice cream mix, egg-nog and aerated cream), all skim milk and buttermilk in inventory at the end of the delivery period in the form of Class I items, and all skim milk and butterfat not specifically accounted for under paragraph (b) of this section;

(b) Class II milk shall be all skim milk and butterfat accounted for (1) as

having been used to produce any products other than those specified in paragraph (a) of this section, (2) as disposed of for livestock feed, (3) in actual plant shrinkage of skim milk and butterfat in producer milk, but not in excess of 2 percent of such receipts of skim milk and butterfat, respectively: *Provided*, That during the months of April, May, and June such maximum shrinkage allowance on skim milk shall be not in excess of 5 percent, and (4) in actual plant shrinkage of skim milk and butterfat in other source milk: *Provided*, That if producer milk and other source milk are both received at a handler's approved plant during the same delivery period the shrinkage of skim milk and butterfat, respectively, allocated to each source shall be computed pro rata according to the proportions of the volumes of skim milk and butterfat, respectively, received from such sources to their totals.

§ 928.43 *Responsibility of handlers and reclassification of milk.* All skim milk and butterfat shall be classified as Class I milk unless the handler who first receives such skim milk or butterfat proves to the market administrator that such skim milk or butterfat should be classified as Class II milk.

§ 928.44 *Transfers.* Skim milk or butterfat disposed of by a handler either by transfer or diversion shall be classified:

(a) As Class I milk if transferred or diverted in the form of milk, skim milk or cream, to the approved plant of another handler unless utilization in Class II is mutually indicated in writing to the market administrator by both handlers on or before the 7th day after the end of the delivery period within which such transaction occurred: *Provided*, That in no event shall the amount of the skim milk or butterfat so assigned to Class II exceed the total utilization of skim milk or butterfat, respectively, in the plant of the transferee-handler: *And provided further*, That if either or both handlers have received other source milk, the skim milk or butterfat so transferred or diverted shall be classified at both plants to give priority to producer milk in the allocation of Class I utilization.

(b) As Class I milk if transferred or diverted in the form of milk, skim milk or cream to a producer-handler.

(c) As Class I milk if transferred or diverted in the form of milk or skim milk and as Class II milk if so transferred in the form of cream to an unapproved plant located more than 250 miles from the square at Chanute, Kansas, by the shortest highway distance as determined by the market administrator.

(d) As Class I milk if transferred or diverted in the form of milk, skim milk or cream to an unapproved plant located not more than 250 miles from the square at Chanute, Kansas (by shortest highway distance as determined by the market administrator), and from which Class I milk is disposed of unless:

(1) The handler claims Class II on the basis of a utilization mutually indicated in writing to the market administrator by both the operator of the unapproved plant and the handler on or before the 7th day after the end of the delivery

period within which such transfer occurred; and

(2) The operator of the unapproved plant maintains books and records showing the utilization of all skim milk and butterfat at such plant which are made available if requested by the market administrator for the purpose of verification: *Provided*, That the amount of skim milk and butterfat so classified in Class II shall be limited to the volume of skim milk and butterfat, respectively, in excess of the Class I utilization remaining in such plant after the subtraction of its receipt of skim milk and butterfat in milk direct from dairy farmers.

(e) As Class II milk if transferred or diverted in the form of milk, skim milk or cream to an unapproved plant located not more than 250 miles from the square at Chanute, Kansas, and from which no Class I milk is disposed of.

§ 928.45 *Computation of the skim milk and butterfat in each class.* For each delivery period the market administrator shall correct for mathematical and for other obvious errors the report of receipts and utilization submitted by each handler and shall compute the total pounds of skim milk and butterfat, respectively, in Class I milk and Class II milk for such handler.

§ 928.46 *Allocation of skim milk and butterfat classified.* After making the computations pursuant to § 928.45, the market administrator shall determine the classification of producer milk as follows:

(a) Skim milk shall be allocated in the following manner:

(1) Subtract from the total pounds of skim milk in Class II the pounds of skim milk determined pursuant to § 928.41 (b) (3);

(2) Subtract from the total pounds of skim milk in Class I the pounds of skim milk contained in the Class I items in inventory at the beginning of the delivery period;

(3) Subtract from the remaining pounds of skim milk in Class II the pounds of skim milk in other source milk: *Provided*, That if the receipts of skim milk in other source milk are greater than the remaining pounds of skim milk in Class II, an amount equal to the difference shall be subtracted from the remaining pounds of skim milk in Class I;

(4) Subtract from the remaining pounds of skim milk in each class the skim milk received from other handlers and assigned to such class pursuant to § 928.44 (a);

(5) Add to the remaining pounds of skim milk in Class II the pounds of skim milk subtracted pursuant to subparagraph (1) of this paragraph; or if the remaining pounds of skim milk remaining in both classes exceed the pounds of skim milk in milk received from producers, subtract such excess from the pounds of skim milk remaining in each class in series beginning with Class II. Any amount so subtracted shall be called "overage."

(b) Butterfat shall be allocated in accordance with the same procedure out-

lined for skim milk in paragraph (a) of this section.

(c) Add the pounds of skim milk and the pounds of butterfat allocated to producer milk in each class, respectively, as computed pursuant to paragraphs (a) and (b) of this section and determine the percent of butterfat content in such milk in each class.

MINIMUM PRICES

§ 928.50 *Basic formula price to be used in determining Class I price.* The basic formula price to be used in determining the price per hundredweight of Class I milk for the delivery period shall be the highest of the prices computed pursuant to paragraphs (a) and (b) of this section and § 928.51 (b), all for the preceding delivery period.

(a) The average of the basic or field prices per hundredweight reported to have been paid or to be paid for milk of 3.5 percent butterfat content received from farmers during the delivery period at the following plants or places for which prices have been reported to the market administrator or to the Department:

Present Operator and Location

Borden Co., Mount Pleasant, Mich.
Carnation Co., Sparta, Mich.
Pet Milk Co., Hudson, Mich.
Pet Milk Co., Wayland, Mich.
Pet Milk Co., Coopersville, Mich.
Borden Co., Greenville, Wis.
Borden Co., Black Creek, Wis.
Borden Co., Orfordville, Wis.
Borden Co., New London, Wis.
Carnation Co., Chilton, Wis.
Carnation Co., Berlin, Wis.
Carnation Co., Richland Center, Wis.
Carnation Co., Oconomowoc, Wis.
Carnation Co., Jefferson, Wis.
Pet Milk Co., New Glarus, Wis.
Pet Milk Co., Belleville, Wis.
White House Milk Co., Manitowoc, Wis.
White House Milk Co., West Bend, Wis.

divided by 3.5 and multiplied by 4.0.

(b) The price per hundredweight computed by adding together the plus values pursuant to subparagraphs (1) and (2) of this paragraph:

(1) From the simple average, as computed by the market administrator, of the daily wholesale selling prices (using the mid-point of any price range as one price) of Grade A (92-score) bulk creamery butter per pound at Chicago as reported by the Department during the month, subtract 3 cents, add 20 percent thereof, and multiply by 4.0.

(2) From the simple average, as computed by the market administrator, of the weighted averages of carlot prices per pound for nonfat dry milk solids, spray, and roller process, respectively, for human consumption, f. o. b. manufacturing plants in the Chicago area, as published for the period from the 26th day of the immediately preceding month through the 25th day of the current month by the Department, deduct 5.5 cents, multiply by 8.5 and then multiply by 0.96.

§ 928.51 *Class prices.* Subject to the provisions of § 928.52, each handler shall pay producers at the time and in the manner set forth in §§ 928.90 through 928.95 not less than the following prices per hundredweight for milk received

from such producers during the delivery period:

(a) *Class I milk.* The price for Class I milk shall be the basic formula price plus the following amounts per hundredweight: \$1.00 during the delivery periods April through June, and \$1.45 during the delivery periods of July through March: *Provided*, That for each of the delivery periods of September through December, such price shall be not less than that for the preceding delivery period, and that for each of the delivery periods of April through June such price shall be not more than that for the preceding delivery period.

(b) *Class II milk.* The price for Class II milk shall be the arithmetic average of the basic, or field, prices reported to have been paid or to be paid per hundredweight for ungraded milk of 4.0 percent butterfat content received from farmers during the delivery period at the following plants or places for which prices have been reported to the market administrator or to the Department on or before the 6th day after the end of the delivery period by the companies indicated below:

Company and Location

Pet Milk Co., Neosho, Mo.
Borden Co., Fort Scott, Kans.
Carnation Co., Mount Vernon, Mo.
Pet Milk Co., Iola, Kans.

§ 928.52 *Butterfat differentials to handlers.* If the weighted average butterfat test of that portion of producer milk which is classified, respectively, in any class utilization for a handler pursuant to § 928.46 (c) is more or less than 4.0 percent, there shall be added to, or subtracted from, as the case may be, the price for such class of utilization, for each one-tenth of 1 percent that such weighted average butterfat test is above, or below, respectively, 4.0 percent, a butterfat differential (computed to the nearest tenth of a cent) calculated as follows:

(a) *Class I milk.* Multiply by 1.25 the simple average, as computed by the market administrator, of the daily wholesale selling prices (using the midpoint of any price range as one price) of Grade A (92-score) bulk creamery butter per pound at Chicago as reported by the Department during the preceding delivery period, and divide the result by 10.

(b) *Class II milk.* Multiply by 1.15 the simple average, as computed by the market administrator, of the daily wholesale selling prices (using the midpoint of any price range as one price) of Grade A (92-score) bulk creamery butter per pound at Chicago as reported by the Department during the delivery period and divide the result by 10.

APPLICATION OF PROVISIONS

§ 928.60 *Producer-handlers.* Sections 928.40 through 928.46, 928.50 through 928.52, 928.70 through 928.72, 928.80 through 928.83 and 928.90 through 928.97 shall not apply to a producer-handler.

§ 928.61 *Handlers subject to other orders.* In the case of any handler who the Secretary determines disposes of a greater portion of his milk as Class I milk in another marketing area regu-

lated by another milk marketing agreement or order issued pursuant to the act, the provisions of this part shall not apply except as follows:

(a) The handler shall, with respect to his total receipts of skim milk and butterfat, make reports to the market administrator at such time and in such manner as the market administrator may require and shall allow verification of such reports by the market administrator pursuant to § 928.33.

(b) If the price which such handler is required to pay under the other Federal order to which he is subject for skim milk and butterfat, which would be classified as Class I milk under this order, is less than the price provided by this part, such handler shall pay to the market administrator for deposit into the producer-settlement fund, with respect to all skim milk and butterfat disposed of as Class I milk within the marketing area, an amount equal to the difference between the value of such skim milk or butterfat as computed pursuant to this part and its value as determined pursuant to the other order to which he is subject.

§ 928.62 *Handlers doing less than 10 percent of their business in the marketing area.* In the case of any handler (except a handler who would be covered under § 928.61) who the Secretary determines disposes of less than 10 percent of his milk, qualified for distribution as Grade A milk in the marketing area, as Class I milk in the marketing area, the provisions of this part shall not apply except as follows:

(a) The handler shall, with respect to his total receipts of skim milk and butterfat, make reports to the market administrator at such time and in such manner as the market administrator shall require and shall allow verification of such reports by the market administrator pursuant to § 928.33;

(b) Pay to the market administrator for deposit into the producer-settlement fund, with respect to all skim milk and butterfat disposed of as Class I milk within the marketing area, an amount equal to the difference between the Class I and Class II value of such skim milk or butterfat as computed pursuant to this part;

(c) As his pro rata share of the expense of administration of this part, such handler shall pay to the market administrator on each hundredweight of milk disposed of as Class I in the marketing area the amount per hundredweight in the manner specified in § 928.97.

DETERMINATION OF UNIFORM PRICES

§ 928.70 *Computation of value of milk.* The value of milk received during each delivery period by each handler from producers shall be a sum of money computed by the market administrator by multiplying the pounds of such milk in each class by the applicable class prices adjusted by the butterfat differential to handlers specified in § 928.52 and adding together the resulting amounts: *Provided*, That if the handler had an overage of either skim milk or butterfat there shall be added to the above values an amount computed by multiplying the

pounds of overage deducted from each class pursuant to § 928.46 (a) (5) or (b) by the applicable class prices.

§ 928.71 *Computation of uniform price.* For each delivery period of July through March the market administrator shall compute the uniform price per hundredweight for milk of 4.0 percent butterfat content received from producers as follows:

(a) Combine into one total of the values computed pursuant to § 928.70 for all handlers who made the reports prescribed in § 928.30 and who made the payments required pursuant to § 928.93 for the preceding delivery period.

(b) Add not less than one-half of the cash balance on hand in the producer-settlement fund less the total amount of the contingent obligations to handlers pursuant to § 928.95;

(c) Subtract if the average butterfat content of the milk included in these computations is greater than 4.0 percent, or add, if such average butterfat content is less than 4.0 percent, an amount computed as follows: Multiply the amount by which the average butterfat content of such milk varies from 4.0 percent by the butterfat differential computed pursuant to § 928.91 and multiply the resulting figure by the total hundredweight of such milk;

(d) Divide the resulting amount by the total hundredweight of milk included in this computation, and

(e) Subtract not less than 4 cents nor more than 5 cents from the amount per hundredweight computed pursuant to paragraph (d) of this section. The resulting figure shall be the uniform price for milk of 4.0 percent butterfat content received from producers.

§ 928.72 *Computation of the uniform prices for base milk and for excess milk.* For each of the delivery periods of April through June, the market administrator shall compute the uniform prices per hundredweight for base milk and for excess milk, each of 4.0 percent butterfat content, as follows:

(a) Combine into one total the values computed pursuant to § 928.70 for all handlers who make the reports prescribed in § 928.30 and who made the required payments pursuant to § 928.93 for the preceding delivery period.

(b) Add not less than one-half of the cash balance on hand in the producer-settlement fund less the total amount of the contingent obligations to handlers pursuant to § 928.95;

(c) Subtract if the average butterfat content of producer milk represented by the values in paragraph (a) of this section is greater than 4.0 percent, or add, if such average butterfat content is less than 4.0 percent an amount computed as follows: Multiply the amount by which the average butterfat content of such milk varies from 4.0 percent by the butterfat differential computed pursuant to § 928.91 and multiply the resulting figure by the total hundredweight of such milk.

(d) Compute the total pounds of milk delivered by producers which are not in excess of their respective bases;

(e) Compute the total value of producer milk in excess of the delivered bases of all producers as follows: (1)

Allocate in series beginning with Class II the total pounds of producer milk in excess of the total pounds of delivered base milk computed pursuant to paragraph (d) of this section; (2) multiply the total pounds of excess milk allocated to each class by the appropriate class prices computed pursuant to § 928.51 and add the resulting totals;

(f) Subtract from the value computed pursuant to paragraph (e) of this section the value of excess milk computed pursuant to paragraph (e) (2) of this section and divide the resulting total by the total hundredweight of base milk as computed in paragraph (d) of this section.

(g) Subtract not less than 4 cents nor more than 5 cents from the amount computed pursuant to paragraph (f) of this section. The resulting price shall be the uniform price per hundredweight for base milk containing 4.0 percent butterfat.

(h) Divide the value obtained pursuant to paragraph (e) (2) of this section by the total hundredweight of excess milk and round to the nearest full cent. The resulting price shall be the uniform price per hundredweight of excess milk containing 4.0 percent butterfat content.

BASE RATING

§ 928.80 *Determination of daily base of each producer.* For the delivery periods of April through June of each year, the daily base of each producer shall be an amount of milk computed by the market administrator by dividing the total pounds of milk received from such producer by handlers during the preceding delivery periods of September through December by the total number of days in such period during which such producer made deliveries or by 90, whichever is greater.

§ 928.81 *Determination of the delivery period base of each producer.* For each of the delivery periods of April through June of each year the base of each producer shall be an amount of milk computed by the market administrator by multiplying the daily base of such producer by the number of days on which milk was received during such delivery period from such producer by a handler.

§ 928.82 *Base rules.* (a) A base shall apply to deliveries of milk by the producer for whose account that milk was delivered during the base forming period;

(b) Bases may be transferred by notifying the market administrator in writing before the last day of any month in which such base applies that such base is to be transferred to the person named in such notice only as follows:

(i) In the event of the death, retirement, or entry into military service of a producer the entire base may be transferred to a member(s) of such producer's immediate family who carries on the dairy operation.

(ii) If a base is held jointly and such joint holding is terminated, the entire base only may be transferred to one of the joint holders.

§ 928.83 *Announcement of daily bases.* On or before February 15, of each year,

the market administrator shall notify each producer of his daily base.

PAYMENTS

§ 928.90 *Time and method of payment.* Each handler shall make payment as follows:

(a) On or before the last day of each delivery period to each producer for milk received from him during the first 15 days of such delivery period at not less than the Class II price for the preceding delivery period: *Provided*, That with respect to producers whose milk was caused to be delivered to such handler by a cooperative association which is authorized to collect payments for such milk, the handler shall, if the cooperative association so requests, pay such cooperative association at least 2 days before the end of the delivery period, an amount equal to the sum of the individual payments otherwise payable to such producers in accordance with this subparagraph.

(b) On or before the 16th day after the end of each delivery period, for all milk received during such delivery period from such producer at not less than the applicable uniform prices for such delivery period computed pursuant to §§ 928.71 and 928.72, subject to the following adjustments:

(1) The butterfat differential pursuant to § 928.91; (2) payment made pursuant to paragraph (a) of this section; (3) marketing service deduction pursuant to § 928.56; (4) deductions authorized by the producer; and (5) any error in payments to such producer for past delivery periods: *Provided*, That if by such date such handler has not received full payment for milk for such delivery period pursuant to § 928.94, he may reduce uniformly per hundredweight, for all producers his payments pursuant to this paragraph, by an amount not in excess of the per hundredweight reduction in payments from the market administrator: *Provided further*, That the handler shall make such balance of payment to those producers to whom it is due on or before the date for making payments, pursuant to this paragraph, next following that on which such balance of payment is received from the market administrator: *And provided further*, That with respect to producers whose milk was caused to be delivered to such handler by a cooperative association which is authorized to collect payment for such milk, the handler shall, if the cooperative association so requests, pay such cooperative association, on or before the 14th day after the end of each delivery period an amount equal to the sum of the individual payments otherwise payable to such producer in accordance with this paragraph.

§ 928.91 *Producer butterfat differential.* In making payments pursuant to § 928.90 (b), there shall be added to or subtracted from the uniform price for each one-tenth of 1 percent that the average butterfat content of the milk received from the producer is above or below 4.0 percent, an amount computed by multiplying by 1.2 the simple average, as computed by the market administrator, of the daily wholesale selling prices (using the midpoint of any price range

as one price) of Grade A (92-score) bulk creamery butter per pound at Chicago as reported by the Department during the month, dividing the resulting sum by 10, and rounding to the nearest one-tenth of a cent.

§ 928.92 Producer-settlement fund. The market administrator shall establish and maintain a separate fund known as the "producer-settlement fund," into which he shall deposit payments made by handlers pursuant to §§ 928.61 (b), 928.62 (b), 928.93, and 928.95, and out of which he shall make payments to handlers pursuant to §§ 928.94 and 928.95: *Provided*, That payments due to any handler shall be offset by payments due from such handler.

§ 928.93 Payments to the producer-settlement fund. On or before the 12th day after the end of each delivery period, each handler shall pay to the market administrator any amount by which the total value of the milk received by such handler from producers as determined pursuant to § 928.70 for such delivery period is greater than an amount computed by multiplying the total hundredweight of milk, or during the delivery period of April, May, and June the total hundredweight of base milk and excess milk, respectively, received from producers during the delivery period by the applicable uniform price(s), adding together the respective totals and adjusting for the butterfat differential provided for in § 928.91.

§ 928.94 Payment out of the producer-settlement fund. On or before the 13th day after the end of each delivery period the market administrator shall pay to each handler for payment to producers, or a cooperative association, any amount by which the value of the milk received by such handler from producers as determined pursuant to § 928.70 for the delivery period is less than an amount computed by multiplying the total hundredweight of milk, or during the delivery periods of April, May, and June the total hundredweight of base milk and excess milk, respectively, received from producers during the delivery period by the applicable uniform price(s), adding together the respective totals and adjusting for the butterfat differential provided for in § 928.91: *Provided*, That if the balance in the producer-settlement fund is insufficient to make all payments pursuant to this paragraph, the market administrator shall reduce uniformly such payments and shall complete such payments as soon as the necessary funds are available.

§ 928.95 Adjustment of accounts. Whenever audit by the market administrator of any handler's reports, books, records, or accounts discloses errors resulting in moneys due (a) the market administrator from such handler, (b) such handler from the market administrator, or (c) any producer or cooperative association from such handler, the market administrator shall promptly notify such handler of any amount so due and payment thereof shall be made on or before the next date for making payments set forth in the provisions under which such error occurred.

§ 928.96 Marketing services—(a) Deductions. Except as set forth in paragraph (b) of this section, each handler, in making payments to producers (other than himself) pursuant to § 928.90 shall deduct 5 cents per hundredweight or such lesser amount as the Secretary may prescribe with respect to all milk received by such handler from producers during the delivery period, and shall pay such deductions to the market administrator on or before the 15th day after the end of such delivery period. Such moneys shall be used by the market administrator to sample, test, and check the weights of milk received from producers and to provide producers with market information.

(b) *Deductions with respect to members of a cooperative association.* In the case of producers who are members of a cooperative association, or who have given written authorization for the rendering of marketing services and the taking of deductions therefor by a cooperative association, and for whom the Secretary determines such a cooperative association is actually performing the services set forth in paragraph (a) of this section, each handler shall make, in lieu of the deduction specified in paragraph (a) of this section, such deductions from the payments to be made to such producers as may be authorized by such producers and on or before the 15th day after the end of such delivery period pay over such deduction to the cooperative association rendering such services.

§ 928.97 Expense of administration. As his pro rata share of the expense of administration of this part, each handler shall pay to the market administrator on or before the 15th day after the end of the month, 5 cents per hundredweight or such lesser amount as the Secretary may prescribe with respect to all receipts within the delivery period of: (1) Milk from producers including such handler's own production, and (2) other source milk which is classified as Class 1.

§ 928.98 Termination of obligation. The provisions of this section shall apply to any obligation under this part for the payment of money.

(a) The obligation of any handler to pay money required to be paid under the terms of this order shall, except as provided in paragraphs (b) and (c) of this section, terminate two years after the last day of the calendar month during which the market administrator receives the handler's utilization report on the milk involved in such obligation, unless within such two year period the market administrator notifies the handler in writing that such money is due and payable. Service of such notice shall be complete upon mailing to the handler's last known address, and it shall contain but need not be limited to, the following information:

- (1) The amount of the obligation;
- (2) The month(s) during which the milk, with respect to which the obligation exists, was received or handled; and;
- (3) If the obligation is payable to one or more producers or to an association of producers, the name of such producer(s) or association of producers, or if the obligation is payable to the mar-

ket administrator, the account for which it is to be paid.

(b) If a handler fails or refuses, with respect to any obligation under this part, to make available to the market administrator or his representative all books and records required by this order to be made available, the market administrator may, within the two-year period provided for in paragraph (a) of this section, notify the handler in writing of such failure or refusal. If the market administrator so notifies a handler, the said two-year period with respect to such obligation shall not begin to run until the first day of the calendar month following the month during which all such books and records pertaining to such obligation are made available to the market administrator or his representatives.

(c) Notwithstanding the provisions of paragraphs (a) and (b) of this section, a handler's obligation under this order to pay money shall not be terminated with respect to any transaction involving fraud or willful concealment of a fact, material to the obligation, on the part of the handler against whom the obligation is sought to be imposed.

(d) Any obligation on the part of the market administrator to pay a handler any money which such handler claims to be due him under the terms of this order shall terminate two years after the end of the calendar month during which the milk involved in the claim was received if an underpayment is claimed, or two years after the end of the calendar month during which the payment (including deduction or set-off by the market administrator) was made by the handler if a refund on such payment is claimed, unless such handler, within the applicable period of time, files, pursuant to section 8 (c) (15) (A) of the act, a petition claiming such money.

EFFECTIVE TIME, SUSPENSION, OR TERMINATION

§ 928.100 Effective time. The provisions of this part or any amendment to this part shall become effective at such time as the Secretary may declare and shall continue in force until suspended or terminated pursuant to § 928.101.

§ 928.101 Suspension or termination. The Secretary may suspend or terminate this part or any provision of this part whenever he finds this part or any provision of this part obstructs or does not tend to effectuate the declared policy of the act. This part shall terminate in any event whenever the provisions of the act authorizing it cease to be in effect.

§ 928.102 Continuing obligations. If, upon the suspension or termination of any or all provisions of this part, there are any obligations thereunder the final accrual or ascertainment of which requires further acts by any person (including the market administrator), such further acts shall be performed notwithstanding such suspension or termination.

§ 928.103 Liquidation. Upon the suspension or termination of the provisions of this part, except this section, the market administrator, or such other liquidating agent as the Secretary may designate, shall, if so directed by the Secre-

tary, liquidate the business of the market administrator's office, dispose of all property in his possession or control, including accounts receivable, and execute and deliver all assignments or other instruments necessary or appropriate to effectuate any such disposition. If a liquidating agent is so designated, all assets, books, and records of the market administrator shall be transferred promptly to such liquidating agent. If, upon such liquidation, the funds on hand exceed the amounts required to pay outstanding obligations of the office of the market administrator and to pay necessary expenses of liquidation and distribution, such excess shall be distributed to contributing handlers and producers in an equitable manner.

MISCELLANEOUS PROVISIONS

§ 928.110 *Agents.* The Secretary may, by designation in writing, name any officer or employee of the United States to act as his agent or representative in connection with any of the provisions of this part.

§ 928.111 *Separability of provisions.* If any provision of this part, or its application to any person or circumstances, is held invalid, the application of such provision and of the remaining provisions of this part, to other persons or circumstances shall not be affected thereby.

Filed at Washington, D. C., this 28th day of March 1951.

(Sec. 5, 49 Stat. 753, as amended; 7 U. S. C. 608c)

[SEAL] F. R. BURKE,
Acting Assistant Administrator.

[P. R. Doc. 51-3904; Filed, Mar. 30, 1951;
8:50 a. m.]

[7 CFR, Part 988]

[Docket No. AO-195-A3]

HANDLING OF MILK IN KNOXVILLE, TENN., MARKETING AREA

NOTICE OF RECOMMENDED DECISION AND OPPORTUNITY TO FILE WRITTEN EXCEPTIONS WITH RESPECT TO PROPOSED AMENDMENTS TO TENTATIVE MARKETING AGREEMENT, AND TO ORDER, AS AMENDED

Pursuant to the provisions of the Agricultural Marketing Agreement Act of 1937, as amended (7 U. S. C. 601 et seq.), and the applicable rules of practice and procedure, as amended, governing the formulation of marketing agreements and marketing orders (7 CFR Part 900), notice is hereby given of the filing with the Hearing Clerk of the recommended decision of the Assistant Administrator, Production and Marketing Administration, United States Department of Agriculture, with respect to proposed amendments to the tentative marketing agreement and to the order, as amended, regulating the handling of milk in the Knoxville, Tennessee, marketing area. Interested parties may file written exceptions to this decision with the Hearing Clerk, United States Department of Agriculture, Washington 25, D. C., not later than the close of business the 10th day after publication of this decision in the

FEDERAL REGISTER. Exceptions should be filed in quadruplicate.

Preliminary statement. The hearing, on the record of which the proposed amendments to the tentative marketing agreement and to the order, as amended, were formulated, was conducted at Knoxville, Tennessee, on January 16-20, 1951, pursuant to notice thereof which was issued December 29, 1950 (15 F. R. 9396).

The material issues of record relate to:

(1) An increase in the Class I price differentials, the inclusion of a supply-demand Class I pricing arrangement and a decrease in the Class I butterfat differential;

(2) A revision in the list of plants used for determining Class II prices (manufacturing uses); a reduction in Class II price and in the Class II butterfat differential during the months of March through August; an increase in the Class II price during September through February; and a revision of the transfer and classification provisions applicable to milk for manufacturing uses;

(3) An extension of the marketing area to include certain surrounding towns and places;

(4) A change in the allocation provisions to provide for the classification of a limited quantity of producer milk as Class II milk before assigning other source milk to Class II utilization.

(5) A revision of the payment provisions of the order to incorporate a base-rating plan; and

(6) The inclusion of standard provisions pertaining to retention of records and termination of obligations.

Findings and conclusions. The following findings and conclusions on issues No. 1 and No. 2 are based upon the evidence introduced at the hearing and the record thereof. Findings and conclusions with respect to issues No. 3 through No. 6 are being temporarily deferred for further consideration and study.

1. The differential which is added to basic formula prices to determine the price for Class I milk should be increased approximately 20 cents per hundredweight. This differential should be decreased 2.5 cents per hundredweight for each full percentage point at any time that producer receipts increase to more than 110 percent of total Class I utilization during the previous 12 months. The present Class I butterfat differential of 1.4 times the average wholesale price of 92-score butter on the Chicago market should be reduced to 1.3 times the butter price.

The prices for Class I milk (fluid milk, cream, buttermilk, flavored milk drinks, etc.) are determined under the Knoxville order by adding specific differentials to a basic formula price representing manufacturing milk values. The differentials reflect mainly the additional costs of producing high quality milk and transporting it in fluid form in sufficient quantity to fill market demands. These differentials are presently \$1.30 for the delivery period of December through March; \$1.10 for April through July, and \$1.50 for August through November. During the period August through December 1949 the order, as amended, provided for floor prices of \$5.40 and during

January through March 1950 for floor prices of \$5.00 per hundredweight. These floor prices actually provided average differentials of \$1.94 in the first period and \$1.60 in the second. An indirect modification of prices occurred in September through November 1950 when producers negotiated premiums over the order prices for Class I milk.

Producers proposed that the order be amended to incorporate a Class I differential of \$1.75 which would be subject to adjustments based on the relationship between receipts of producer milk and total Class I sales. Receipts and Class I sales during 1950 were such that the producers' proposal would have resulted in an average annual differential of more than \$2.00 per hundredweight. Producers contended that a substantial increase in the level of prices is necessary to prevent the loss of present producers and to insure supplies in accord with the requirements of milk for fluid uses.

The number of producers supplying the Knoxville market increased from 536 in August 1949, the effective date of Order No. 88, to 604 in April 1950, at which time the upward trend ceased and the number ranged between 603 and 608 during the remaining months of 1950. Average daily production per farm during December 1950 was slightly lower than the previous year. Although receipts of producer milk during the period September through December 1950 were 11 percent greater than during the same period of the preceding year such receipts were equivalent to only 86.6 percent of total Class I utilization. It appears that under the present price differentials production has leveled off at a point short of an adequate supply of locally approved milk.

Total Class I sales during September-December 1950 were about 6 percent greater than during the corresponding period of 1949. Other source milk, principally in the form of condensed and dried skim milk, has been imported for use in Class I products in each month since the order has been in effect. During the last four months of 1950, approximately 16 percent of total Class I sales were derived from outside sources. Prospective industrial and defense activities in the Knoxville area indicate an increasing demand for fluid milk in this market.

Class I prices under Order No. 88 were shown to be substantially less than the cost of milk imported from outside approved sources and prices being offered for milk f. o. b. Knoxville in tank truck quantities by other southern fluid milk markets. Several nearby Tennessee and North Carolina markets have been paying higher Class I prices than those prevailing in the Knoxville market.

During the calendar year 1950, receipts of producer milk were equal to 99.7 percent of total Class I sales. For the months of March through July 1950, which included the months of seasonally highest production, producer receipts were equal to 112 percent of Class I uses and even then some "other source" milk was used to fulfill the requirements for Class I milk. The production of milk tends to be highest in the summer

as the result of natural factors, whereas sales are comparatively uniform throughout the year. Thus, production by producers must be greater than annual sales of fluid milk. The testimony of both producers and handlers indicated that with the present production pattern and the available facilities for handling excess milk it is not desirable to develop a local supply of milk immediately which is adequate to fulfill the entire needs of the market during the months of shortest production. The development of sufficient year-around supplies may more properly be accomplished through a gradual increase in the level of production coupled with a more uniform production throughout the year. Under these conditions producer receipts of milk equivalent to 110 percent on an annual average of Class I utilization would appear to be a reasonable level of production to achieve in the near future.

The evidence shows that an increase in the prices received by Knoxville producers is necessary to prevent the loss of producers and offer stimulus for increased production. An increase in the average annual Class I differential from \$1.30 to \$1.50 per hundredweight will increase returns to producers and should tend to encourage within a reasonable time an annual supply of approved milk equal to about 110 percent of Class I sales. However, in view of uncertainty about future changes in the level of receipts of milk as well as Class I utilization, provision should be made for decreasing the Class I differential if receipts exceed 110 percent of Class I utilization.

The supply-demand adjustment proposed by producers would have provided for a two-cent adjustment in the Class I differential for each unit of percentage change in the relationship between total producer receipts and total Class I sales within a specified range and for larger adjustments outside this range. This supply-demand adjustment would have applied to a 6-month period and would have been computed on the basis of producer receipts and Class I sales during a preceding 5-month period. Thus, the percentage that receipts were of Class I sales during the 5 months March through July would determine the supply-demand adjustment applicable to the following fall and winter months of September through February. Similarly, the percentage during September through January would determine the adjustment for the following March through August. In each case a 5-month base period was included in the producer proposal to permit the determination of the supply-demand relationship one month in advance of its effective date.

Although it is desirable to base adjustments on as recent a period as possible, unusual production conditions during either 5-month base period might influence prices unduly during the succeeding six months. Production data over a longer period of time than are now available are needed to appraise the proposed plan. It is concluded, therefore, that the supply-demand relationship should be determined on the basis of a

12-month moving average. The influence of any short-time abnormal production or utilization changes will be reduced to a minimum. If more experience demonstrates the desirability of further modification of the plan, appropriate amendments to the order can be considered.

It would appear reasonable to provide for an annual average differential of \$1.50 to apply unless the ratio of the supply of milk to demand reaches 110 percent during the preceding twelve months. At this point a 2.5-cent per hundredweight downward adjustment is provided for each full percentage point that this ratio exceeds 110 percent. At such time that a more appropriate relationship of receipts to Class I sales has been achieved consideration should be given to a supply-demand adjustment which will also bring about an automatic increase in the price when additional milk is needed.

Until conclusions have been reached concerning proposals for a base and excess plan, a seasonal difference in Class I differentials should be preserved. This may be accomplished by providing a \$1.30 differential until August 1, 1951.

The butterfat differential applicable to the price for Class I milk should be equal to 1.3 times the average price of 92-score butter on the Chicago market. Producers proposed that the present Class I butterfat differential of 1.4 times the average wholesale price of 92-score butter on the Chicago market be reduced to 1.25 times the butter price. Class I milk is priced on the basis of 4.0 percent butterfat content, and the differential applies to any variation from 4.0 percent in the average butterfat test of all the butterfat and skim milk content of Class I products derived from producer milk. The monthly average test of all milk received from producers during the year ranges from 4.0 to 4.4 percent. However, the butterfat test of all Class I products is relatively constant at about 3.5 percent and the monthly test of producer milk utilized as Class I milk during 1950 varied between 3.5 and 4.2 percent. In each month since Order No. 88 has been in effect, with the exception of November 1949, the volume of butterfat contained in producer milk has exceeded the total utilization of butterfat as Class I milk. The skim milk contained in producer milk has been less than total Class I utilization of skim milk in 11 of the 17 months for which data are available under the order. A decrease in the butterfat differential and in the consequent cost of butterfat utilized in cream and other Class I products testing more than 4.0 percent butterfat will tend to encourage utilization of more butterfat in these uses.

Handlers opposed any reduction in the differential on the basis that it would increase their cost of Class I milk as a result of the fact that Class I utilization of producer milk averages below 4.0 percent. The fact is, however, that the market tends to be short of the nonfat component of milk and there is at times an excess of butterfat. The problem, therefore, is to find a method of facilitating the disposal of butterfat while at the same time increasing returns to produc-

ers. This reduction in butterfat prices will encourage the utilization of the comparatively large butterfat content of producer milk in high-fat Class I products such as fluid cream and cereal mixes. At the same time the increased Class I price of milk will, in effect, raise the value of the skim milk component. The net result will be to encourage a Class I utilization of skim and fat more nearly in line with the average test of producer milk. The average test of producer milk utilized in Class I products in 1950 was somewhat below 4.0 and the recommended reduction in butterfat differentials would have increased the handlers' cost slightly over one cent per hundredweight.

2. The provisions pertaining to pricing, transfer and classification of milk used for manufacturing uses should be revised.

Under the current order skim milk and butterfat utilized for manufacturing products such as evaporated and condensed milk, ice cream, butter, and other products which may be made from unapproved milk are classified as Class II milk. The Class II price is the average price reported by 10 manufacturing plants located in Tennessee and nearby states. Producers proposed that the Scott Cheese Company, Sweetwater, Tennessee, one of the ten plants, be eliminated from this list. The monthly prices reported by this company for 4.0 percent butterfat content of milk during 1950 were from 21 to 58 cents less per hundredweight than the corresponding average price for the other nine plants. The plants designated for use in determining the price of Class II milk are intended to reflect prices representative of the value of milk for manufacturing purposes in the Knoxville market. Changes in prices at the Sweetwater plant are not well correlated with changes in product values and are not reliable indicators of the value of milk for manufacturing uses in the Knoxville market. A comparison of the prices paid by this company for various butterfat tests of milk in a given month as well as prices for a given test of milk from month to month show unusual variances and irregularities. For these reasons this company should be deleted from the list of plants for which prices are averaged to determine Class II prices.

The exclusion of this plant would have increased the Class II price from 2.4 to 5.4 cents during the 12 months of 1950. Handlers contended that if this company is eliminated, 5 cents should be deducted from the average price reported for the remaining 9 plants. The evidence indicates that the 9-plant average price is representative of the value of manufacturing milk in the Knoxville area and no adjustment should be made in this average.

Handlers also proposed that a provision be incorporated in the order for the pricing of manufacturing milk during the months of March through August at 47 cents per hundredweight less than the regular Class II formula price. Provision was made in an amendment to the order issued March 27, 1950, for handling and transportation allowances on excess milk during April through August

of that year. Handlers in their brief submitted following the January 1951 hearing requested that these same provisions, which provided a somewhat lower allowance than proposed at the hearing, be incorporated in the order. Producers proposed that the factor 1.2 used in determining the Class I butterfat differential be reduced to 1.12 during the months of March through August and 10 cents per hundredweight added to the Class II price during other months of the year.

In the past, facilities for utilization of excess milk in the Knoxville market have been limited chiefly to the production of cream for disposal to butter and ice cream manufacturers. The nearest condensory to which whole milk could have been diverted was located approximately 75 miles from the marketing area.

Handlers testified that allowances for handling excess milk are necessary to operate on a break-even basis and that during 1950 losses were incurred. No data was presented to show the extent of such losses. Although requested on the record, handlers neglected to submit prices paid for manufacturing milk during the flush production season of 1950 at the principal condensory outlets.

During the period April through August of 1950, handlers disposed of approximately 3,000 pounds of skim milk daily as Class II milk and at the same time imported about 10,000 pounds of other source skim milk daily, more than half of which was utilized as Class I milk. In other months of the year receipts of skim milk from producers were less than the utilization of skim milk in Class I uses. Recently one of the Knoxville handlers has installed condensing equipment and these facilities, which were not available to the market during 1950, will now be devoted to handling excess milk. The testimony also indicates that an outlet not previously available is interested in purchasing excess milk from the Knoxville market. Under prospective production and demand conditions for fluid milk in the Knoxville market there is no indication that the market will be faced with a serious problem in the disposal of excess milk during the flush production season.

It was previously shown herein that milk produced in the Knoxville area is relatively high in butterfat content. This is true of milk produced for the fluid market as well as unapproved milk produced for manufacturing uses in the area. Local supplies of cream from unapproved sources are available to handlers who engage in ice cream production. The testimony indicated that under the handling allowances provided during 1950 some handlers actually disposed of Grade A cream for butter production and purchased ungraded cream for ice cream manufacture.

The record shows that under normal operations of some fluid milk plants in this area additional handling and transportation may be involved if excess milk must be disposed of for manufacturing uses. A manufacturing class price which will permit some element of profit, however, could very well necessitate relatively high Class I prices and result in

the development of an uneconomical level of supply as well as improper allocation of milk among handlers.

Additional costs which may be incurred in handling excess milk by fluid milk handlers are comparable with other costs involved in the fluid milk business. The testimony of a milk distributor, not subject to Order No. 88, indicated that such costs are thus allocated to the costs of conducting his fluid milk operations. It should be noted also that producers during the short production season could divert milk to other markets at considerably higher prices than they have received locally and such opportunity costs to producers are in much the same category as added costs which may be incurred by handlers in disposing of excess milk. If handlers had assumed handling and transportation costs as great as 47 cents per hundredweight on the total amount of producer milk utilized as Class II milk in 1950, such costs would have been equivalent to less than 1 mill per quart on the total volume of producer milk disposed of in Class I uses. Handlers desire producers' entire output during the short production season and if so supplied they have a responsibility for handling excess milk at reasonable competitive prices during the flush production months. Producers are endeavoring to promote more even production through education, seasonal pricing and a proposed base and excess plan.

Although Grade A cream is considered more desirable than ungraded cream for ice cream manufacture, greater use of Grade A excess fat in ice cream may be promoted by pricing it more nearly in accord with ungraded cream in this market. This may be accomplished by reducing the handler butterfat differential on Class II milk. The present differential is 1.2 times the average wholesale price of 92-score butter in the Chicago market. During 1950 a local creamery—primarily a purchaser of unapproved cream and one of the outlets for excess butterfat—paid an average price per pound of butterfat of 1.1 times the 92-score butter price. The average butterfat differential paid by the 9 plants on which the Class II price is determined was 1.1.

Each month's Class II prices for 4.0 percent milk adjusted by the corresponding butterfat differential provided in the order result in a price for skim milk ranging from minus 4 cents to plus 18 cents per hundredweight. In 15 of the 17 months the order has been in effect the price was less than 8 cents per hundredweight. During the period of April through August of 1950 skim milk was priced at less than 5 cents per hundredweight. A reduction in the butterfat differential would tend to bring about a more reasonable relation between the value assigned to skim milk and butterfat in Class II milk. For these reasons the Class II butterfat differential factor of 1.2 should be reduced to 1.15. This will not change the cost of class II milk containing 4.0 percent butterfat but excess Grade A butterfat will be priced more nearly in accordance with the local price for unapproved butterfat. During 1950 this reduction in the butterfat

differential would have lowered the cost to handlers of producer milk classified as Class II milk (which contained an average of 8.2 percent butterfat) by an amount equivalent to 14 cents per hundredweight below the regular Class II price. The cost of the skim milk and butterfat contained in a can of 40 percent cream would have been reduced approximately 90 cents. No additional allowance should be provided for disposal of excess milk.

Under the present provisions of the order a nonfluid milk plant to which producer milk is transferred or diverted must have an equivalent amount of skim milk and butterfat utilized in Class II uses or such transfers are classified as Class I milk. This provision seriously impairs the orderly disposal of excess milk, particularly butterfat, in the Knoxville market. Manufacturing facilities located in handlers' plants are limited and in the past most excess whole milk has moved through nonfluid milk plants located some distance from the marketing area and excess butterfat disposed of as cream to a local creamery and ice-cream manufacturers. Additional equipment has recently been installed to handle excess whole milk in a nonfluid milk plant operated by a handler and located in the marketing area. This milk will be made into condensed skim milk and cream for disposal in ice cream manufactured in this plant and to other manufacturers of dairy products.

Under the provisions of the current order, skim milk and butterfat transferred to such nonfluid milk plant and then disposed of in the form of fluid cream must be classified as Class I milk. The disposal of excess milk, particularly skim milk and butterfat converted to cream, will be facilitated in this market at this time by providing for the classification of such skim milk and butterfat on the basis of its utilization in the plant where the final product is made.

The transfer provisions of the order should be changed accordingly. Disposal of excess skim milk and butterfat on this market by nonfluid milk plants and to which the change in the classification procedure will apply usually will be made by plants operated by handlers and in the form of cream to other nonfluid milk plants located in or near the marketing area. There is no need to extend this classification procedure to skim milk and butterfat disposed of in forms other than cream or beyond the second nonfluid milk plant handling such cream.

The requirements relative to reporting, maintenance of records, and inspection of such records by the market administrator which apply to such transfers from a fluid milk plant to a nonfluid milk plant should pertain to such transfers made by the first receiving nonfluid milk plant to another plant.

3. The other proposals considered at the hearing, issues Nos. 3 through No. 6, providing for an enlargement of the Knoxville marketing area to include several nearby densely populated areas and other cities and towns, the incorporation in the order of a base and excess payment plan and other revisions and additions to the order are being deferred at this time. Examination of the record

indicates that these issues cannot be adequately treated without unduly delaying the decision with respect to the pricing of Class I and Class II milk in this market. The decision on these issues should not delay action on the price issues considered at the hearing and upon which proponents urged that the earliest possible action be taken.

4. General: (a) The proposed marketing agreement and the order, as amended, and as hereby proposed to be further amended, and all of the terms and conditions thereof, will tend to effectuate the declared policy of the act; (b) The proposed marketing agreement and the order, as amended and as hereby proposed to be further amended, regulates the handling of milk in the same manner and is applicable only to persons in the respective classes of industrial and commercial activity specified in the marketing agreement upon which a hearing has been held; and

(c) The parity prices of milk as determined pursuant to section 2 of the act are not reasonable in view of the price of feeds, available supplies of feeds, and other economic conditions which affect market supply and demand for milk in the said marketing area, and the minimum prices specified in the proposed marketing agreement and in the order, as amended, and as hereby proposed to be further amended, are such prices as will reflect the aforesaid factors, insure a sufficient quantity of pure and wholesome milk, and be in the public interest.

Rulings on proposed findings and conclusions. Briefs were filed on behalf of producers and handlers in the Knoxville market. The briefs contained suggested findings of fact, conclusions, and arguments with respect to the proposals considered at the hearing. Every point covered in the briefs was carefully examined along with the evidence in the record in making the findings and reaching the conclusions hereinbefore set forth. To the extent that the suggested findings and conclusions contained in the briefs are inconsistent with the findings and conclusions contained herein, the request to make such findings or to reach such conclusions are denied on the basis of the facts found and stated in connection with the findings and conclusions in this recommended decision.

Recommended amendment to the order. The following amendment to the order, as amended, is recommended as the detailed and appropriate means by which the foregoing conclusions may be carried out. The amendments to a proposed marketing agreement are not repeated because they would be identical to the following:

1. In § 988.5 (b) delete subparagraph (1) and substitute the following:

(1) *Class I milk.* The price for Class I milk prior to August 1, 1951 shall be the basis formula price plus \$1.30 per hundredweight. Effective August 1, 1951, the price for Class I milk shall be the basis formula price plus \$1.50 per hundredweight: *Provided, That, if during the 12 months prior to the month immediately preceding each delivery period, the total volume of milk received from producers by all handlers was more than 110 percent of the total Class I*

utilization of all handlers during such 12-month period, the Class I price shall be decreased 2.5 cents per hundredweight for each full percentage point that such percentage is more than 110 percent.

2. In § 988.5 (b) delete from subparagraph (2) "Scott Cheese Co., Sweetwater, Tenn."

3. In § 988.5 (c) delete from subparagraph (1) "1.4" and substitute "1.3" therefor.

4. In § 988.5 (c) delete from subparagraph (2) "1.2" and substitute "1.15" therefor.

5. In § 988.4 (d) add the following proviso at the end of subparagraph (3): "Provided further, That if such plant disposes of fluid cream to another non-fluid milk plant which plant conforms with the requirements of subdivisions (i), (ii), and (iii) of this subparagraph, such cream shall be classified as Class II milk."

Issued at Washington, D. C., this 28th day of March 1951.

[SEAL] F. R. BURKE,
Acting Assistant Administrator,
Production and Marketing
Administration.

[F. R. Doc. 51-3906; Filed, Mar. 30, 1951;
8:51 a. m.]

FEDERAL COMMUNICATIONS COMMISSION

[47 CFR, Part 13]

[Docket No. 9934]

COMMERCIAL RADIO OPERATOR

TEMPORARY LIMITED RADIOTELEGRAPH SECOND CLASS OPERATOR LICENSE

In the matter of amendment of Part 13 of the Commission's rules to establish and provide for a class of operator license designated "Temporary Limited Radiotelegraph Second Class Operator License".

1. Notice is hereby given of proposed rule-making in the above-entitled matter.

2. Proposed amendments to §§ 13.2 (a) (1), 13.3, 13.5, 13.22, 13.25, 13.61 and 13.62 (a) of Part 13 of the Commission's rules are set forth below. In view of information which has come to the Commission's attention recently concerning an alleged shortage of available licensed commercial radio operators to operate licensed radiotelegraph equipment aboard ships, it is proposed to establish on a temporary basis, for the duration of the emergency proclaimed by the President on December 16, 1950, or until further order of the Commission, a class of operator license designated "Temporary Limited Radiotelegraph Second-Class Operator License" in addition to those specified in § 13.2 of the Commission's rules which would authorize the holder thereof to operate licensed radiotelegraph equipment aboard ships only. This Temporary Limited Radiotelegraph Second-Class Operator License would be issued, upon written application, to any eligible person who has since January 1, 1940 held, but does not now hold, a radiotelegraph first-class, radiotelegraph second-class, or

temporary limited radiotelegraph second-class (obtained after examination), operator license, which was valid and outstanding on its date of expiration, and who, upon examination pursuant to his application, shows his ability to transmit and receive spoken messages in English and successfully passes the Commission's code test at a speed of not less than sixteen (16) code groups per minute.

3. This proposed rule is issued under the authority of sections 4 (i), 303 (i) and (r) of the Communications Act of 1934, as amended.

4. Any interested person who is of the opinion that the proposed amendments should not be adopted, as well as any person who favors this proposal, may file with the Commission on or before April 16, 1951, a written statement or brief setting forth his comments. The Commission will consider all comments, briefs and statements presented before taking final action in the matter.

5. In accordance with the provisions of § 1.764 of the Commission's rules, an original and fourteen copies of all statements, briefs or comments filed shall be furnished the Commission.

Adopted: March 21, 1951.

Released: March 26, 1951.

FEDERAL COMMUNICATIONS
COMMISSION,

[SEAL] T. J. SLOWIE,
Secretary.

1. Section 13.2 (a) (1) of the Commission's rules is amended by adding the following new subdivision and footnote:

(iii) Temporary limited radiotelegraph second-class operator license.^{1a}

^{1a} For limitation as to persons eligible to apply for this class of license, see § 13.5 (d).

2. Section 13.3 of the Commission's rules is amended to include at the end thereof the following new proviso: "Provided, however, That a person may at the same time hold both a temporary limited radiotelegraph second-class operator license and a radiotelegraph third-class operator permit."

3. Section 13.5 of the Commission's rules is amended by adding at the end thereof the following new paragraph:

(d) Even though otherwise eligible to apply for an operator license, no person shall be eligible to apply for a temporary limited radiotelegraph second-class operator license except a person who, since January 1, 1940, held, but at the time of filing application does not hold, a radiotelegraph first-class, radiotelegraph second-class, or temporary limited radiotelegraph second-class (issued after examination), operator license which was valid and outstanding on its date of expiration.

4. Section 13.22 of the Commission's rules is amended by renumbering paragraphs (d) through (g) as (e) through (h), respectively, and by adding the following new paragraph (d):

(d) Temporary limited radiotelegraph second-class operator license:

(1) Ability to transmit and receive spoken messages in English.

PROPOSED RULE MAKING

(2) Transmitting and receiving code test of sixteen (16) code groups per minute.

5. Section 13.25 of the Commission's rules is amended to include the following new sentence at the end thereof: "In addition, no person holding a temporary limited radiotelegraph second-class operator license will be relieved of qualifying by examination when applying for any other class of license for which examination on any subject matter is required."

6. Section 13.61 of the Commission's rules is amended by renumbering paragraphs (c) through (g) as (d) through (h), respectively, and by adding the following new paragraph (c):

(c) *Temporary limited radiotelegraph second-class operator license.* Any ship station or ship radar station, subject to the following conditions and limitations:

(1) On a passenger vessel required by treaty or statute to maintain a continuous radio watch by operators or on a vessel having continuous hours of service for public correspondence, the holder of this class of license may not act as chief operator.

(2) On a vessel (other than a vessel operated exclusively on the Great Lakes) required by treaty or statute to be equipped with a radiotelegraph installation, the holder of this class of license may not act as chief or sole operator until he has had at least 6 months' satisfactory service in the aggregate as a qualified radiotelegraph operator in a station on board a ship or ships of the United States.

(3) At a ship radar station licensed in the Ship Service, the holder of this class of license may not supervise or be responsible for the performance of any adjustments or tests during or coincident with the installation, servicing or maintenance of the radar equipment while it is radiating energy unless he has satisfactorily completed a supplementary examination (with the passing grade nor-

mally required) qualifying him for that duty and received a ship radar endorsement on his license certifying to that fact: *Provided*, That nothing in this subparagraph shall be construed to prevent persons holding licenses not so endorsed from making replacements of fuses or of receiving-type tubes. The supplementary examination shall consist of:

(i) Written examination element: 8.

7. Section 13.62 (a) of the Commission's rules is amended to read as follows:

(a) The holder of any class of commercial radio operator license except temporary limited radiotelegraph second-class operator license may operate any station in the experimental service while using frequencies solely above 300 megacycles.

[F. R. Doc. 51-3956; Filed, Mar. 30, 1951; 9:31 a. m.]

[47 CFR, Part 13]

[Docket No. 9935]

COMMERCIAL RADIO OPERATORS

WAIVER OF CERTAIN REQUIREMENTS FOR RENEWAL OF LICENSES

In the matter of amendment of § 13.28 of the Commission's rules and waiver of the existing renewal requirements to permit renewal of commercial radio operator licenses without prior service and written examination.

1. Notice is hereby given of proposed rule-making in the above-entitled matter.

2. Section 13.28 of the Commission's rules governing Commercial Radio Operators requires, in part, prior service as a radio operator and in some instances also a limited examination for renewal of radio operator licenses of certain classes. Many commercial radio operators are not able to comply with such requirements because they either are actively serving or entering into active

service in various branches of the Armed Services of the United States, or are serving temporarily in various civilian activities in connection with the present emergency other than as radio operators. It is therefore proposed to waive the normal requirement of prior service as a radio operator or of examination for renewal of commercial radio operator licenses which expired beginning January 1, 1951 and to amend § 13.28 by the addition of a footnote in which the conditions of such waiver would be stated as follows:

^{10A} By order dated and effective -----, 1951, the Commission temporarily waived the requirement of prior service as a radio operator or examination for renewal in the case of any applicant for renewal of his commercial radio operator license. This order is applicable to commercial radio operator licenses which expired beginning January 1, 1951 until further order of the Commission.

3. This proposed rule is issued under the authority of sections 4 (i) and 303 (l) and (r) of the Communications Act of 1934, as amended.

4. Any interested person who is of the opinion that the proposed amendment and waiver should not be adopted, as well as any person who favors this proposal, may file with the Commission on or before April 16, 1951, a written statement or brief setting forth his comments. The Commission will consider all comments, briefs and statements presented before taking final action in the matter.

5. In accordance with the provisions of § 1.764 of the Commission's rules, an original and fourteen copies of all statements, briefs or comments filed shall be furnished the Commission.

Adopted: March 21, 1951.

Released: March 26, 1951.

FEDERAL COMMUNICATIONS
COMMISSION,

[SEAL] T. J. SLOWIE,
Secretary.

[F. R. Doc. 51-3957; Filed, Mar. 30, 1951; 9:31 a. m.]

NOTICES

DEPARTMENT OF AGRICULTURE
Office of the SecretaryAGRICULTURAL RESEARCH ADMINISTRATION
DELEGATION OF AUTHORITY TO ADMINISTRATOR WITH RESPECT TO FACILITATION OF NATIONAL DEFENSE

1. Pursuant to the authority contained in Executive Order 10216, dated February 23, 1951, the Administrator of the Agricultural Research Administration is authorized to utilize the authority set forth in Title II of the First War Powers Act, 1941, as amended and extended by the act of January 12, 1951 (Public Law 921, 81st Congress), in connection with programs now or hereafter assigned to the Agricultural Research Administration related to the facilitation of the national defense. The Administrator shall designate in writing any program to

which he determines this authority shall apply.

2. The authority hereby delegated does not include the authority to amend or modify contracts without consideration, or to settle claims or release accrued obligations.

3. The Administrator of Agricultural Research Administration may make provision for the use by the Agricultural Research Administration of the authority hereby delegated. These provisions shall include regulations showing the uses to which the authority will be put and the methods by which control will be exercised.

4. In the exercise of the authority hereby delegated all of the applicable terms and conditions of Executive Order 10216, dated February 23, 1951 (16 F. R. 1815), and of Part I of Executive Order 10210, dated February 2, 1951 (16 F. R. 1049), shall be followed.

Done at Washington, D. C., this 27th day of March 1951.

[SEAL] CHARLES F. BRANNAN,
Secretary of Agriculture.

[F. R. Doc. 51-3895; Filed, Mar. 30, 1951; 8:47 a. m.]

INTERSTATE COMMERCE
COMMISSION

[S. O. 874, General Permit 10]

NEW YORK, ONTARIO AND WESTERN RAILWAY CO. AND MOSES BROTHERS CO.

LOADING REQUIREMENTS

Pursuant to the authority vested in me in paragraph (d) of Service Order No. 874 (16 F. R. 2040), permission is granted for The New York, Ontario and Western Railway Company (Raymond L. Geb-

hardt and Ferdinand J. Seighardt, Trustees) serving Moses Brothers Company, Eaton, N. Y., to disregard the provisions of Service Order No. 874 insofar as it applies to any car loaded with Dairy, Animal and Poultry Feed when Moses Brothers Company advise that service would be denied because of its inability to meet the minimum requirements because of inadequate facilities of company owned stores, located on the New York, Ontario and Western Railway.

The waybills shall show reference to this general permit and the Moses Brothers Company shall furnish the Permit Agent the dates forwarded, car numbers, initials, and destinations of the cars shipped under this permit.

This general permit shall become effective at 12:01 a. m., March 26, 1951, and shall expire at 11:59 p. m., September 15, 1951, unless otherwise modified, changed, suspended or revoked.

A copy of this general permit has been served upon the Association of American Railroads, Car Service Division, as Agent of the railroads subscribing to the car service and per diem agreement under the terms of that agreement, and notice of this permit shall be given to the general public by depositing a copy in the Office of the Secretary of the Commission at Washington, D. C., and by filing it with the Director, Division of the Federal Register.

Issued at Washington, D. C., this 23d day of March 1951.

HOWARD S. KLINE,
Permit Agent.

[F. R. Doc. 51-3900; Filed, Mar. 30, 1951;
8:48 a. m.]

[S. O. 874, General Permit No. 11]

**RALSTON PURINA CO.
LOADING REQUIREMENTS**

Pursuant to the authority vested in me in paragraph (d) of Service Order No. 874 (16 F. R. 2040), permission is granted for any common carrier by railroad, subject to the Interstate Commerce Act, serving Ralston Purina Company, Buffalo, New York, to disregard the provisions of Service Order No. 874 insofar as it applies to any car loaded by the Ralston Purina Company when the Ralston Purina Company advise that such car is loaded with mixed livestock, dairy, and poultry feeds in bulk, or with bulk mixed livestock, dairy and poultry feed together with sacked mixed livestock, dairy, and poultry feed, and that the total weight of such shipments shall be or exceed 60,000 pounds because of inability of loading device to load to within 24 inches of the roof of cars, except at ends of car.

The waybills shall show reference to this general permit and the Ralston Purina Company shall furnish the Permit Agent dates forwarded, the car numbers and initials and destinations of the cars shipped under this permit.

This general permit shall become effective at 12:01 a. m., March 26, 1951, and shall expire at 11:59 p. m., September 15, 1951, unless otherwise modified, changed, suspended or revoked.

A copy of this general permit has been served upon the Association of American Railroads, Car Service Division, as agent of the railroads subscribing to the car service and per diem agreement under the terms of that agreement, and notice of this permit shall be given to the general public by depositing a copy in the office of the Secretary of the Commission at Washington, D. C., and by filing it with the Director, division of the Federal Register.

Issued at Washington, D. C., this 23d day of March 1951.

HOWARD S. KLINE,
Permit Agent.

[F. R. Dec. 51-3901; Filed, Mar. 30, 1951;
8:49 a. m.]

**SECURITIES AND EXCHANGE
COMMISSION**

[File No. 70-2576]

**WEST PENN ELECTRIC CO. AND POTOMAC
EDISON CO.**

**ORDER GRANTING APPLICATION AND PERMIT-
TING DECLARATION TO BECOME EFFECTIVE**

At a regular session of the Securities and Exchange Commission held at its office in the city of Washington, D. C., on the 26th day of March A. D. 1951.

The West Penn Electric Company ("West Penn Electric"), a registered holding company, and its subsidiary, The Potomac Edison Company ("Potomac"), a registered holding company and a public utility company, having filed a joint application-declaration pursuant to sections 6, 7, 9, 10 and 12 of the Public Utility Holding Company Act of 1935 (the "act") and Rules U-43, U-44, and U-50 promulgated thereunder with respect to the following transactions:

Potomac proposes to issue and sell, pursuant to the competitive bidding requirements of Rule U-50, \$10,000,000 principal amount of its First Mortgage and Collateral Trust Bonds, ---- percent series due 1981. The bonds are to be issued under and secured by Potomac's present indenture dated as of October 1, 1944, as supplemented by an indenture to be dated as of April 1, 1951. Representatives of Potomac have requested that in connection with the offering of these bonds, the 10 day period for the solicitation of bids, required by the provisions of Rule U-50, be shortened to not less than six days.

Potomac also proposes to issue and sell 200,000 shares of common stock, without par value, to West Penn Electric and West Penn Electric proposes to acquire such shares for a total cash consideration of \$4,000,000. West Penn Electric will pledge the new shares of common stock to be acquired by it from Potomac as additional collateral security for West Penn's Electric 3½% Sinking Fund Collateral Trust Bonds. West Penn Electric now owns all of the 450,000 shares of outstanding common stock of Potomac. It is represented in the filing that the proceeds from the sale of these securities will be used to assist Potomac and its subsidiaries with contemplated construction programs for the years 1951 and 1952.

Notice of the filing of this joint application-declaration having been duly given in the form and manner prescribed by Rule U-23 promulgated pursuant to the act and the Commission not having received a request for hearing and not having ordered a hearing thereon; and

The Commission finding with respect to this joint application-declaration, as amended, that all of the applicable statutory standards are satisfied and that there is no basis for any adverse findings and deeming it appropriate in the public interest and in the interest of investors and consumers that said joint application-declaration, as amended, be granted and permitted to become effective forthwith;

It is hereby ordered, Pursuant to said Rule U-23 and the applicable provisions of the act, that said joint application-declaration be, and the same hereby is, granted and permitted to become effective forthwith, subject to the terms and conditions prescribed in Rule U-24 and to the following terms and conditions:

(1) That the proposed issuance and sale of the \$10,000,000 principal amount of First Mortgage and Collateral Trust Bonds, ---- percent series due 1981, by Potomac shall not be consummated until the results of competitive bidding, held with respect thereto, have been made a matter of record in this proceeding and a further order shall have been entered by this Commission in the light of the record so completed, which order shall contain such further terms and conditions, if any, as may then be deemed appropriate;

(2) That jurisdiction be reserved with respect to the payment of any and all fees and expenses incurred or to be incurred in connection with the consummation of the proposed transactions.

It is further ordered, That the period for solicitation of bids, with respect to the above described bonds, be shortened, from the period of 10 days prescribed in paragraph (b) of Rule U-50, to a period of not less than 6 days.

By the Commission.

[SEAL] ORVAL L. DuBois,
Secretary.

[F. R. Doc. 51-3891; Filed, Mar. 30, 1951;
8:45 a. m.]

[File No. 54-192]

**INTERNATIONAL HYDRO-ELECTRIC SYSTEM
NOTICE OF FILING OF APPLICATION RELATING
TO PREFERRED STOCK**

At a regular session of the Securities and Exchange Commission held at its office in the city of Washington, D. C., on the 26th day of March A. D. 1951.

Notice is hereby given that an application pursuant to section 11 (d) of the Public Utility Holding Company Act of 1935 ("the act") by Bartholomew A. Brickley, Trustee of International Hydro-Electric System ("IHES"), a registered holding company, relating to quarterly payments of 87½ cents per share to the holders of the Convertible \$3.50 Series of Preferred Stock of IHES

beginning on or about April 15, 1951, pending the determination of plans and proposals now before the Commission for compliance with the Commission's order of July 21, 1942, entered under section 11 (b) (2) of the act, for the liquidation and dissolution of IHES.

All interested parties are referred to said application on file in the office of the Commission for a statement of the transactions therein proposed. Briefly, the application indicates:

(1) That on April 19, 1949, the Trustee filed with the Commission, pursuant to section 11 (d) of the act, his Second Plan for the liquidation and dissolution of IHES; that Parts I and II of said plan, relating to the retirement of the debentures of IHES, have now been consummated; that hearings have been held and the record closed on Part III of said plan, which proposes to allocate eight Trustee's Certificates for each preferred share, including dividend arrears, and one Trustee Certificate for each Class A share.

(2) That 142,799 shares of preferred stock of IHES are outstanding, with a par value of \$50 per share; that regular dividends, if declared, are payable quarterly on January 15, April 15, July 15, and October 15 each year; that the last payment of preferred dividends was on July 15, 1934; that as of January 15, 1951, preferred dividend arrears amounted to \$57.75 per share.

(3) That the income of IHES now appears adequate to pay its current operating expenses; also to pay the installments required under the loan agreement with The Chase National Bank of the City of New York (under which IHES must pay interest at the rate of $2\frac{1}{4}\%$ per annum and must apply 60% of its net income in reduction of the principal amount of the bank loan, now \$8,500,000); also to pay to its preferred stockholders 87½ cents per share quarterly, being an amount equivalent to the quarterly dividend on the preferred stock.

The Trustee therefore prays that he be authorized to pay on or about April 15, 1951, or as soon thereafter as may be practicable after approval by this Commission and by the United States District Court for the District of Massachusetts, 87½ cents per share to the holders of the outstanding preferred stock of IHES, and to make similar payments thereafter on July 15, October 15, January 15, and April 15 in each year pending the further order of the Commission or the Court; that he be further authorized to fix the date as of which the record holders of the preferred stock of IHES shall be entitled to any such payment, which date shall not be more than 30 days prior to the date fixed for such payment; that such payments shall be made only from funds available after complying with the terms of said loan agreement, and after providing for all operating expenses and taxes of IHES, and after setting aside such reserves as the Trustee may deem advisable.

Notice is further given that any interested person may, not later than April 9, 1951 at 5:30 p. m., e. s. t., request the Commission in writing that a hearing be held on such matter, stating the nature

of his interest, the reasons for such request, and the issues, if any, of fact or law raised by said application which he proposes to controvert; or he may request that he be notified if the Commission should order a hearing thereon. Any such request should be addressed: Secretary, Securities and Exchange Commission, 425 Second Street NW., Washington 25, D. C., At any time after April 9, 1951, said application, as filed or as amended, may be granted without public hearing.

By the Commission.

[SEAL] ORVAL L. DuBOIS,
Secretary.

[F. R. Doc. 51-3892; Filed, Mar. 30, 1951;
8:46 a. m.]

[File No. 70-2578]

WORCESTER COUNTY ELECTRIC CO.

ORDER GRANTING APPLICATION

At a regular session of the Securities and Exchange Commission held at its office in the city of Washington, D. C., on the 26th day of March A. D. 1951.

Worcester County Electric Company ("Worcester County"), a subsidiary of New England Electric System ("NEES"), a registered holding company, having filed with this Commission pursuant to the Public Utility Holding Company Act of 1935 an application pursuant to the third sentence of section 6 (b) of said act and Rule U-50 thereunder with respect to the following transactions:

Worcester County proposes to issue and sell \$12,000,000 principal amount of First Mortgage Bonds, Series B, to be dated March 1, 1951, and to mature March 1, 1981. The interest rate (which shall be a multiple of $\frac{1}{8}$ of 1 percent) and the price to be paid to Worcester County (which, excluding accrued interest, shall not be less than 100 percent nor more than 102.75 percent of the principal amount) are to be determined at competitive bidding pursuant to Rule U-50. Worcester County proposes to issue the bonds under its First Mortgage Indenture and Deed of Trust dated July 1, 1949, as amended by a supplemental indenture dated March 1, 1951, which, it is stated, will secure the bonds to be issued by a direct first mortgage lien on substantially all the properties then owned by the company, with certain limited exceptions.

The application states that the proceeds from the sale of the bonds (exclusive of accrued interest and of expenses of issuance estimated by Worcester County at \$90,400) will be applied by Worcester County to the payment of notes due May 31, 1951, issued to evidence bank borrowings aggregating \$11,370,000; to the payment of notes and advances due NEES aggregating \$505,000 and to the cost of additions to the plant and property of Worcester County.

The issue and sale of said bonds having been expressly authorized by the Department of Public Utilities of the Commonwealth of Massachusetts, the State commission of the State in which Worcester County is organized and doing business;

Applicant having requested that the period for the invitation of bids as prescribed by Rule U-50 under the act be shortened to not less than six days and that the Commission's order herein become effective upon issuance; and

The Commission finding that said application, as amended, satisfies the requirements of the applicable provisions of the act and the rules thereunder, and deeming it appropriate in the public interest and in the interest of investors and consumers that said application, as amended, be granted effective forthwith, subject to the terms and conditions specified below:

It is ordered, Pursuant to the applicable provisions of the act and the rules thereunder, that said application, as amended, be, and hereby is, granted, effective forthwith, and that for the purposes of this proceeding the ten-day period for the invitation of bids as prescribed by Rule U-50 be, and it hereby is, shortened to a period of not less than six days, all subject, however, to the provisions of Rule U-24 and to the following terms and conditions:

(1) That the proposed issue and sale of said bonds shall not be consummated until the results of competitive bidding shall have been made a matter of record in this proceeding and a further order entered by this Commission on the basis of the record so supplemented, which order may contain such terms and conditions, if any, as may then be deemed appropriate, jurisdiction being reserved for this purpose; and

(2) That jurisdiction be reserved with respect to the payment of all legal, accounting and auditing fees and expenses in connection with the proposed transactions, including fees and expenses of counsel for the successful bidders.

By the Commission.

[SEAL] ORVAL L. DuBOIS,
Secretary.

[F. R. Doc. 51-3893; Filed, Mar. 30, 1951;
8:46 a. m.]

DEPARTMENT OF JUSTICE

Office of Alien Property

AUTHORITY: 40 Stat. 411, 55 Stat. 839, Pub. Laws 322, 671, 79th Cong., 60 Stat. 50, 925; 50 U. S. C. and Supp. App. 1, 616; E. O. 9193, July 6, 1942, 3 CFR, Cum. Supp., E. O. 9567, June 8, 1945, 3 CFR, 1945 Supp., E. O. 9788, Oct. 14, 1946, 11 F. R. 11981.

[Vesting Order 17523]

C. LOUISE SOEKER AND MERCANTILE-COMMERCE BANK AND TRUST CO.

In re: Trust Agreement dated October 12, 1934, between C. Louise Soeker, Donor and Mercantile-Commerce Bank and Trust Company and C. Louise Soeker, trustees. File No. D-28-8129-G-1.

Under the authority of the Trading With the Enemy Act, as amended, Executive Order 9193, as amended, and Executive Order 9788, and pursuant to law, after investigation, it is hereby found:

1. That Franz Soeker, Willy Windau, Frieda Windau, Johanna Thias and Anna Hollmann, whose last known address is Germany, are residents of Ger-

many and nationals of a designated enemy country (Germany);

2. That the children, names unknown, of Willy Windau, of Frieda Windau, of Johanna Thias and of Anna Hollmann, who there is reasonable cause to believe are residents of Germany are nationals of a designated enemy country (Germany);

3. That the property described as follows:

a. All right, title, interest and claim of any kind or character whatsoever of the persons identified in subparagraphs 1 and 2 hereof not heretofore vested by Vesting Order No. 13171 in and to and arising out of or under that certain trust agreement dated October 12, 1934, between C. Louise Soeker, Donor and Mercantile-Commerce Bank and Trust Company and C. Louise Soeker, Trustees, presently being administered by Mercantile-Commerce Bank and Trust Company, Locust-Eighth-St. Charles Streets, St. Louis 1, Missouri, as trustee, and

b. All property of any kind or character in the possession, custody or control of the Mercantile-Commerce Bank and Trust Company, St. Louis, Missouri, as trustee under that certain trust agreement dated October 12, 1934, between C. Louise Soeker, donor and Mercantile-Commerce Bank and Trust Company and C. Louise Soeker, trustees, including particularly but not limited to:

(1) The following described bonds, together with any and all rights thereunder and thereto:

Description of issue	Certificate Nos.	Face value
United States Savings Bonds, Series "F",	C1043694	\$100
	C1043693F	100
	D398249F	500
	M808807F	1,000
United States Savings Defense Bonds, Series "G",	M808846F	1,000
	C977538G	100
	C977539G	100
	C977540G	100
	D451601G	500
	M982665G	1,000
	M982666G	1,000
	M982667G	1,000
United States Savings Bonds, Series "G",	M982668G	1,000
	V135657G	5,000
	M1711953G	1,000
	M1711954G	1,000
	M2-699-452G	1,000
U. S. Treasury Bonds, 1952-54.	139757H	1,000
U. S. Treasury Bonds, 1959-62.	139756F	1,000
	33625E	1,000
	31085E	1,000
	32910L	1,000

(2) The sum of \$273.01 as of February 1, 1951, together with any and all accruals thereto,

is property within the United States owned or controlled by, payable or deliverable to, held on behalf of or on account of, or owing to, or which is evidence of ownership or control by, the aforesaid nationals of a designated enemy country (Germany);

and it is hereby determined:

3. That to the extent that the persons named in subparagraph 1 hereof and the children, names unknown, of Willy Windau, of Frieda Windau, of Johanna Thias and of Anna Hollmann, are not within a designated enemy country, the national interest of the United States

requires that such persons be treated as nationals of a designated enemy country (Germany).

All determinations and all action required by law, including appropriate consultation and certification, having been made and taken, and, it being deemed necessary in the national interest,

There is hereby vested in the Attorney General of the United States the property described above subject to all lawful fees and disbursements of the Mercantile-Commerce Bank and Trust Company, St. Louis, Missouri, as trustee under that certain trust agreement dated October 12, 1934, between C. Louise Soeker, donor, and Mercantile-Commerce Bank and Trust Company and C. Louise Soeker, trustees, to be held, used, administered, liquidated, sold, or otherwise dealt with in the interest of and for the benefit of the United States.

The terms "national" and "designated enemy country" as used herein shall have the meanings prescribed in section 10 of Executive Order 9193, as amended.

Executed at Washington, D. C., on March 13, 1951.

For the Attorney General.

[SEAL] HAROLD I. BAYNTON,
Assistant Attorney General,
Director, Office of Alien Property.

[F. R. Doc. 51-3837; Filed, Mar. 28, 1951; 8:55 a. m.]

[Vesting Order 17503]

OLGA I. HOPPE

In re: Estate of Olga I. Hoppe, deceased. File No. D-28-6618; E. T. sec. 4868.

Under the authority of the Trading With the Enemy Act, as amended, Executive Order 9193, as amended, and Executive Order 9788, and pursuant to law, after investigation, it is hereby found:

1. That Lillie Ickert, also known as Lilly Ikert, whose last known address is Germany, is a resident of Germany and a national of a designated enemy country (Germany);

2. That all right, title, interest and claim of any kind or character whatsoever of the person identified in subparagraph 1 hereof, in and to the estate of Olga I. Hoppe, deceased, is property payable or deliverable to, or claimed by, the aforesaid national of a designated enemy country (Germany);

3. That such property is in the process of administration by Boris Hoppe, as executor, acting under the judicial supervision of the Surrogate's Court of Queens County, New York;

4. That the property described as follows: An undivided five twenty-fourth ($\frac{5}{24}$) interest in that certain lot or parcel of land, with the buildings and improvements thereon, in the Borough and County of Queens, City and State of New York, as laid down on a certain map entitled "Map of Richmond Hill and Kew Gardens, L. I. showing property of the Estate of A. P. Man," and filed in the

Office of the Clerk of the County of Queens as Map No. 616, November 29th, 1911, made by A. P. Man, C. E., which said lot with reference to said map is particularly bounded and described as follows:

Beginning at a point in the westerly line of Grenfell Avenue distant one hundred and eighty (180) feet northerly from the corner formed by the intersection of the said westerly line of Grenfell Avenue with the northerly line of Quentin Street; running thence westerly and at right angles to Grenfell Avenue one hundred fifteen (115) feet; thence northerly and parallel with Grenfell Avenue seventy-two (72) feet; thence easterly at right angles to Grenfell Avenue one hundred fifteen (115) feet to the westerly line of Grenfell Avenue; thence southerly along said westerly line of Grenfell Avenue seventy-two (72) feet to the point of beginning, together with all hereditaments, fixtures, improvements and appurtenances thereto, and any and all claims for rents, refunds, benefits or other payments arising from the ownership of such property,

is property within the United States owned or controlled by, payable or deliverable to, held on behalf of or on account of, or owing to, or which is evidence of ownership or control by, the aforesaid national of a designated enemy country (Germany);

and it is hereby determined:

5. That to the extent that the person named in subparagraph 1 hereof is not within a designated enemy country, the national interest of the United States requires that such person be treated as a national of a designated enemy country (Germany).

All determinations and all action required by law, including appropriate consultation and certification, having been made and taken, and, it being deemed necessary in the national interest,

There is hereby vested in the Attorney General of the United States the property described in subparagraph 2 hereof, and

There is hereby vested in the Attorney General of the United States the property described in subparagraph 4 hereof, subject to recorded liens, encumbrances and other rights of record held by or for persons who are not nationals of designated enemy countries.

All such property so vested to be held, used, administered, liquidated, sold or otherwise dealt with in the interest of and for the benefit of the United States.

The terms "national" and "designated enemy country" as used herein shall have the meanings prescribed in section 10 of Executive Order 9193, as amended.

Executed at Washington, D. C., on March 13, 1951.

For the Attorney General.

[SEAL] HAROLD I. BAYNTON,
Assistant Attorney General,
Director, Office of Alien Property.

[F. R. Doc. 51-3832; Filed, Mar. 28, 1951; 8:54 a. m.]

NOTICES

[Return Order 781]

I. RZEPECKA

Having considered the claim set forth below and having issued a determination allowing the claim, which is incorporated by reference herein and filed herewith.

It is ordered, That the claimed property, described below and in the determination, including all royalties accrued thereunder and all damages and profits recoverable for past infringement thereof, be returned after adequate provision for taxes and conservatory expenses:

Claimant, Claim No., Notice of Intention to Return Published, and Property

Mrs. Maria Rzepecka, d/b/a I. Rzepecki, Marszalkowski 91, Warsaw, Poland; Claim No. 37362; September 6, 1950 (15 F. R. 6010); property to the extent owned by the claimant immediately prior to the vesting thereof, described in Vesting Order No. 4033 (9 F. R. 13269, November 8, 1944) relating to certain copyrights identified by assignments in the United States Copyright Office (listed in Exhibit A of said Vesting Order).

Appropriate documents and papers effectuating this order will issue.

Executed at Washington, D. C., on March 23, 1951.

For the Attorney General.

[SEAL] HAROLD I. BAYNTON,
Assistant Attorney General,
Director, Office of Alien Property.

[F. R. Doc. 51-3839; Filed, Mar. 28, 1951; 8:56 a. m.]

[Vesting Order 17539]

ROBERT H. BEST

In re: Bank account owned by Robert H. Best, also known as Robert Best. F-28-1143-E-1.

Under the authority of the Trading With the Enemy Act, as amended, Executive Order 9193, as amended, and Executive Order 9788, and pursuant to law, after investigation, it is hereby found:

1. That Robert H. Best, also known as Robert Best, on or since the effective date of Executive Order 8389, as amended, and on or since December 11, 1941, has been a resident of Germany and is a national of a designated enemy country (Germany);

2. That the property described as follows: That certain debt or other obligation of the Chase National Bank of the City of New York, 18 Pine Street, New York 15, New York, arising out of an unclaimed deposit account, entitled Countess N. V. De Roye and/or Robert Best, maintained at the aforesaid bank, and any and all rights to demand, enforce and collect the same,

is property within the United States owned or controlled by, payable or deliverable to, held on behalf of or on account of, or owing to, or which is evidence of ownership or control by, Robert H. Best, also known as Robert Best, the aforesaid national of a designated enemy country (Germany);

and it is hereby determined:

3. That to the extent that the person named in subparagraph 1 hereof is not within a designated enemy country, the

national interest of the United States requires that such person be treated as a national of a designated enemy country (Germany).

All determinations and all action required by law, including appropriate consultation and certification, having been made and taken, and it being deemed necessary in the national interest,

There is hereby vested in the Attorney General of the United States the property described above, to be held, used, administered, liquidated, sold or otherwise dealt with in the interest of and for the benefit of the United States.

The terms "national" and "designated enemy country" as used herein shall have the meanings prescribed in section 10 of Executive Order 9193, as amended.

Executed at Washington, D. C., on March 19, 1951.

For the Attorney General.

[SEAL] HAROLD I. BAYNTON,
Assistant Attorney General,
Director, Office of Alien Property.

[F. R. Doc. 51-3907; Filed, Mar. 30, 1951; 8:51 a. m.]

[Vesting Order 17540]

ALFRED HERBERT

In re: Debt owing to Alfred Herbert, limited. F-39-3072-C-1.

Under the authority of the Trading With the Enemy Act, as amended, Executive Order 9193, as amended, and Executive Order 9788, and pursuant to law, after investigation, it is hereby found:

1. That Alfred Herbert, Limited, the last known address of which is Kitaku, Osaka, Japan, is a corporation, partnership, association or other business organization, organized under the laws of Japan, and which has or, since the effective date of Executive Order 8389, as amended, has had its principal place of business in Osaka, Japan and is a national of a designated enemy country (Japan).

2. That the property described as follows: That certain debt or other obligation owing to Alfred Herbert, Limited, by The Fellows Gear Shaper Company, 78 River Street, Springfield, Vermont, arising out of purchases and commissions, together with any and all accruals thereto, and any and all rights to demand, enforce and collect the same,

is property within the United States owned or controlled by, payable or deliverable to, held on behalf of or on account of, or owing to, or which is evidence of ownership or control by, the aforesaid national of a designated enemy country (Japan).

and it is hereby determined:

3. That to the extent that the person named in subparagraph 1 hereof is not within a designated enemy country, the national interest of the United States requires that such person be treated as a national of a designated enemy country (Japan).

All determinations and all action required by law, including appropriate consultation and certification, having been made and taken, and, it being

deemed necessary in the national interest,

There is hereby vested in the Attorney General of the United States the property described above, to be held, used, administered, liquidated, sold or otherwise dealt with in the interest of and for the benefit of the United States.

The terms "national" and "designated enemy country" as used herein shall have the meanings prescribed in section 10 of Executive Order 9193, as amended.

Executed at Washington, D. C., on March 19, 1951.

For the Attorney General.

[SEAL] HAROLD I. BAYNTON,
Assistant Attorney General,
Director, Office of Alien Property.

[F. R. Doc. 51-3908; Filed, Mar. 30, 1951; 8:57 a. m.]

[Vesting Order 17542]

TOMOYA KAWAKITA

In re: Bank accounts owned by Tomoya Kawakita also known as Tom Kawakita. F-39-4626-E-1.

Under the authority of the Trading With the Enemy Act, as amended, Executive Order 9193, as amended, and Executive Order 9788, and pursuant to law, after investigation, it is hereby found:

1. That Tomoya Kawakita, also known as Tom Kawakita, on or since the effective date of Executive Order 8389, as amended, and on or since December 8, 1941, has been a resident of Japan and is a national of a designated enemy country (Japan);

2. That the property described as follows:

a. An undivided one half (1/2) interest in that certain debt or other obligation of Bank of America National Trust and Savings Association, 300 Montgomery Street, San Francisco 20, California, arising out of a checking account entitled Hiroko and Tomoya Kawakita, maintained at the branch office of the aforesaid bank, located at 303 Second Street, Calexico, California, and any and all rights to demand, enforce and collect the same, and

b. That certain debt or other obligation of Bank of America National Trust and Savings Association, 300 Montgomery Street, San Francisco 20, California, arising out of a savings account, account number 1229, entitled Tom Kawakita, maintained at the branch office of the aforesaid bank, located at 303 Second Street, Calexico, California, and any and all rights to demand, enforce and collect the same,

is property within the United States owned or controlled by, payable or deliverable to, held on behalf of or on account of, or owing to or which is evidence of ownership or control by, Tomoya Kawakita also known as Tom Kawakita, the aforesaid national of a designated enemy country (Japan);

and it is hereby determined:

3. That to the extent that the person named in subparagraph 1 hereof is not within a designated enemy country, the

national interest of the United States requires that such person be treated as a national of a designated enemy country (Japan).

All determinations and all action required by law, including appropriate consultation and certification, having been made and taken, and, it being deemed necessary in the national interest,

There is hereby vested in the Attorney General of the United States the property described above, to be held, used, administered, liquidated, sold or otherwise dealt with in the interest of and for the benefit of the United States.

The terms "national" and "designated enemy country" as used herein shall have the meanings prescribed in section 10 of Executive Order 9193, as amended.

Executed at Washington, D. C., on March 19, 1951.

For the Attorney General.

[SEAL] HAROLD I. BAYNTON,
Assistant Attorney General,
Director, Office of Alien Property.

[F. R. Doc. 51-3909; Filed, Mar. 30, 1951;
8:51 a. m.]

[Vesting Order 17545]

TOKUO ODA

In re: Bank account and bonds owned by Tokuo Oda, also known as T. Oda, D-39-2009-E-1/2.

Under the authority of the Trading With the Enemy Act, as amended, Executive Order 9193, as amended, and Executive Order 9788, and pursuant to law, after investigation, it is hereby found:

1. That Tokuo Oda, also known as T. Oda, whose last known address is 123 3-Chome Yagashinmachi, Hiroshima City, Japan, is a resident of Japan and a national of a designated enemy country (Japan);

2. That the property described as follows:

a. That certain debt or other obligation of Security-First National Bank of Los Angeles, Sixth and Spring Streets, Los Angeles, California, arising out of a Savings Account, account No. 4010, entitled T. Oda, maintained at the Guadalupe Branch Office of the aforesaid bank located at Guadalupe, California, and any and all rights to demand, enforce and collect the same.

b. Two (2) United States Savings Bonds, Series E, of \$100 face value each, bearing the numbers C6786209E and C6786210E, registered in the name of Tokuo Oda and presently in the custody of the Federal Reserve Bank of San Francisco, San Francisco, California, together with any and all rights thereunder and thereto, and

c. Cash in the sum of \$19.24 presently in the possession of the Treasury Department of the United States in Trust Fund Account No. 158881 entitled "Unclaimed Monies of Individuals Whose Whereabouts are Unknown" in the name of Tokuo Oda, and any and all rights to demand, enforce and collect the same,

is property within the United States owned or controlled by, payable or deliverable to, held on behalf of or on account of, or owing to, or which is evidence of ownership or control by Tokuo Oda, also known as T. Oda, the aforesaid national of a designated enemy country (Japan);

and it is hereby determined:

3. That to the extent that the person named in subparagraph 1 hereof is not within a designated enemy country, the national interest of the United States requires that such person be treated as a national of a designated enemy country (Japan).

All determinations and all action required by law, including appropriate consultation and certification, having been made and taken, and, it being deemed necessary in the national interest,

There is hereby vested in the Attorney General of the United States the property described above, to be held, used, administered, liquidated, sold or otherwise dealt with in the interest of and for the benefit of the United States.

The terms "national" and "designated enemy country" as used herein shall have the meanings prescribed in section 10 of Executive Order 9193, as amended.

Executed at Washington, D. C., on March 19, 1951.

For the Attorney General.

[SEAL] HAROLD I. BAYNTON,
Assistant Attorney General,
Director, Office of Alien Property.

[F. R. Doc. 51-3910; Filed, Mar. 30, 1951;
8:52 a. m.]

[Vesting Order 17548]

VERKAUFVEREINIGUNG FUR TEERERZEUGNISSE, G. M. B. H.

In re: Debt owing to Verkaufsvereinigung Fur Teererzeugnisse, G. m. b. H. F-28-13810.

Under the authority of the Trading With the Enemy Act, as amended, Executive Order 9193, as amended, and Executive Order 9788, and pursuant to law, after investigation, it is hereby found:

1. That Verkaufsvereinigung Fur Teererzeugnisse, G. m. b. H., the last known address of which is 45 II Hagenstrasse Essen-Ruhr, Germany, is a corporation, partnership, association or other business organization, organized under the laws of Germany, and which has or, since the effective date of Executive Order 8389, as amended, has had its principal place of business in Germany, and is a national of a designated enemy country (Germany);

2. That the property described as follows: That certain debt or other obligation of Bernuth, Lembcke Co., Inc., 420 Lexington Avenue, New York, New York, arising out of an account payable, maintained on the books of the aforesaid Bernuth, Lembcke Co., Inc., in the name of N. V. Crediten Handelsmaatschappij and representing the purchase of creosote oil from Verkaufsvereinigung Fur Teererzeugnisse, G. m. b. H., together

with any and all accruals thereto, and any and all rights to demand, enforce and collect the same,

is property within the United States owned or controlled by, payable or deliverable to, held on behalf of or on account of, or owing to, or which is evidence of ownership or control by, the aforesaid national of a designated enemy country (Germany);

and it is hereby determined:

3. That to the extent that the person named in subparagraph 1 hereof is not within a designated enemy country, the national interest of the United States requires that such person be treated as a national of a designated enemy country (Germany).

All determinations and all action required by law, including appropriate consultation and certification, having been made and taken, and it being deemed necessary in the national interest,

There is hereby vested in the Attorney General of the United States the property described above, to be held, used, administered, liquidated, sold or otherwise dealt with in the interest of and for the benefit of the United States.

The terms "national" and "designated enemy country" as used herein shall have the meanings prescribed in section 10 of Executive Order 9193, as amended.

Executed at Washington, D. C., on March 19, 1951.

For the Attorney General.

[SEAL] HAROLD I. BAYNTON,
Assistant Attorney General,
Director, Office of Alien Property.

[F. R. Doc. 51-3911; Filed, Mar. 30, 1951;
8:52 a. m.]

[Vesting Order 17549]

CARL J. AND CORA ISABEL DUNCKER

In re: Cash owned by Carl J. Duncker and Cora Isabel Duncker, D-28-664-E-1.

Under the authority of the Trading With the Enemy Act, as amended, Executive Order 9193, as amended, and Executive Order 9788, and pursuant to law, after investigation, it is hereby found:

1. That Carl J. Duncker and Cora Isabel Duncker, each of whose last known address is Germany, are residents of Germany and nationals of a designated enemy country (Germany);

2. That the property described as follows: Cash in the amount of \$11,000.00 in a special deposit account, numbered 19F5875, maintained with the Treasurer of the United States, Treasury Department, Washington 25, D. C., and entitled "Special Deposits, Suspense, Department of State," together with any and all accruals thereto, and any and all rights to demand, enforce and collect the same,

is property within the United States owned or controlled by, payable or deliverable to, held on behalf of or on account of, or owing to, or which is evidence of ownership or control by, Carl

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J. Duncker and Cora Isabel Duncker, the aforesaid nationals of a designated enemy country (Germany);

and it is hereby determined:

3. That to the extent that the persons named in subparagraph 1 hereof are not within a designated enemy country, the national interest of the United States requires that such persons be treated as nationals of a designated enemy country (Germany).

All determinations and all action required by law, including appropriate consultation and certification, having been made and taken, and, it being deemed necessary in the national interest,

There is hereby vested in the Attorney General of the United States the property described above, to be held, used, administered, liquidated, sold or otherwise dealt with in the interest of and for the benefit of the United States.

The terms "national" and "designated enemy country" as used herein shall have the meanings prescribed in section 10 of Executive Order 9193, as amended.

Executed at Washington, D. C., on March 19, 1951.

For the Attorney General.

[SEAL] HAROLD I. BAYNTON,
Assistant Attorney General,
Director, Office of Alien Property.

[F. R. Doc. 51-3912; Filed, Mar. 30, 1951;
8:52 a. m.]

[Vesting Order 17550]

ELLA FICK

In re: Stock owned by Ella Fick, also known as Ella Maria Fick, Ella Ammann, Ella Emann, Ella Amman, and as Ella M. Emmann. F-28-31284.

Under the authority of the Trading With the Enemy Act, as amended, Executive Order 9193, as amended, and Executive Order 9788, and pursuant to law, after investigation, it is hereby found:

1. That Ella Fick, also known as Ella Maria Fick, Ella Ammann, Ella Emann, Ella Amman, and as Ella M. Emmann, on or since the effective date of Executive Order 8389, as amended, and on or since December 11, 1941, has been a resident of Germany and is a national of a designated enemy country (Germany);

2. That the property described as follows: One hundred-five (105) shares of \$1.00 par value capital stock of Continental Motors Corporation, 205 Market Street, Muskegon, Michigan, a corporation organized under the laws of the State of Virginia, evidenced by two (2) certificates numbered NYE 85657 for five (5) shares, registered in the name of Ella Amann, and NYF 94987 for 100 shares, registered in the name of Ella Amman, and presently in the custody of The National City Bank of New York, 55 Wall Street, New York, New York, together with all declared and unpaid dividends thereon,

is property within the United States owned or controlled by, payable or deliverable to, held on behalf of or on account of, or owing to, or which is evidence of ownership or control by, the

aforesaid national of a designated enemy country (Germany);

and it is hereby determined:

3. That to the extent that the person named in subparagraph 1 hereof is not within a designated enemy country, the national interest of the United States requires that such person be treated as a national of a designated enemy country (Germany).

All determinations and all action required by law, including appropriate consultation and certification, having been made and taken, and it being deemed necessary in the national interest,

There is hereby vested in the Attorney General of the United States the property described above, to be held, used, administered, liquidated, sold or otherwise dealt with in the interest of and for the benefit of the United States.

The terms "national" and "designated enemy country" as used herein shall have the meanings prescribed in section 10 of Executive Order 9193, as amended.

Executed at Washington, D. C., on March 19, 1951.

For the Attorney General.

[SEAL] HAROLD I. BAYNTON,
Assistant Attorney General,
Director, Office of Alien Property.

[F. R. Doc. 51-3913; Filed, Mar. 30, 1951;
8:52 a. m.]

[Vesting Order 17551]

A. ICHIHARA

In re: Debts owing to A. Ichihara. F-39-6978.

Under the authority of the Trading With the Enemy Act, as amended, Executive Order 9193, as amended, and Executive Order 9788, and pursuant to law, after investigation, it is hereby found:

1. That A. Ichihara, whose last known address is 26 Ichinokura-Cho, Omori-Ku, Tokyo, Japan, is a resident of Japan and a national of a designated enemy country (Japan);

2. That the property described as follows: Those certain debts or other obligations of The National City Bank of New York, 55 Wall Street, New York 15, New York, evidenced by those checks drawn on the aforesaid bank, payable to A. Ichihara, numbered and in the face amounts as set forth below:

Number:	Face amount
A-6-688-186-----	\$10.00
A-6-688-187-----	10.00
C1-168-147-----	50.00
C1-168-149-----	50.00
C1-168-150-----	50.00
D-470-121-----	100.00
D-470-122-----	100.00
D-470-113-----	100.00
D-470-114-----	100.00
D-470-115-----	100.00
D-470-116-----	100.00
D-470-117-----	100.00
D-470-118-----	100.00
D-470-119-----	100.00

said checks presently in the custody of The National City Bank of New York, and any and all rights to demand, enforce and collect the aforesaid debts or other obligations, and any and all rights

in, to and under, including particularly the right to possession and presentation for payment of the aforesaid checks,

is property within the United States owned or controlled by, payable or deliverable to, held on behalf of or on account of, or owing to, or which is evidence of ownership or control by, A. Ichihara, the aforesaid national of a designated enemy country (Japan);

and it is hereby determined:

3. That to the extent that the person named in subparagraph 1 hereof is not within a designated enemy country, the national interest of the United States requires that such person be treated as a national of a designated enemy country (Japan).

All determinations and all action required by law, including appropriate consultation and certification, having been made and taken, and, it being deemed necessary in the national interest,

There is hereby vested in the Attorney General of the United States the property described above, to be held, used, administered, liquidated, sold or otherwise dealt with in the interest of and for the benefit of the United States.

The terms "national" and "designated enemy country" as used herein shall have the meanings prescribed in Section 10 of Executive Order 9193, as amended.

Executed at Washington, D. C., on March 19, 1951.

For the Attorney General.

[SEAL] HAROLD I. BAYNTON,
Assistant Attorney General,
Director, Office of Alien Property.

[F. R. Doc. 51-3914; Filed, Mar. 30, 1951;
8:52 a. m.]

[Vesting Order 15696, Amdt.]

TOKUMON AOKI AND HISAKO KURIYAMA
AOKI

In re: Stock and safe deposit lease and contents owned by Tokumon Aoki and Hisako Kuriyama Aoki, also known as Hisa Aoki and as Mrs. Hisako Aoki.

Vesting Order 15696, dated November 15, 1950, is hereby amended as follows and not otherwise: By deleting from subparagraph 2 (c) of the aforesaid Vesting Order 15696 the number "NC 2093" relating to a certificate for 50 shares of common stock of Southern Pacific Company and substituting therefor the number "NC 20923".

All other provisions of said Vesting Order 15696 and all actions taken by or on behalf of the Attorney General of the United States in reliance thereon, pursuant thereto and under the authority thereof are hereby ratified and confirmed.

Executed at Washington, D. C., on March 19, 1951.

For the Attorney General.

[SEAL] HAROLD I. BAYNTON,
Assistant Attorney General,
Director, Office of Alien Property.

[F. R. Doc. 51-3916; Filed, Mar. 30, 1951;
8:53 a. m.]

[Vesting Order 17552]

MARY JUNGWIRTH

In re: Claim owned by Mary Jungwirth, also known as Mary Jungwirth Kage, Maria Jungwirth and as Maria Kage. F-28-31382.

Under the authority of the Trading With the Enemy Act, as amended, Executive Order 9193, as amended, and Executive Order 9788, and pursuant to law, after investigation, it is hereby found:

1. That Mary Jungwirth, also known as Mary Jungwirth Kage, Maria Jungwirth and as Maria Kage, whose last known address is 77 Johannes-strasse, Stuttgart, W. Germany, is a resident of Germany and a national of a designated enemy country (Germany);

2. That the property described as follows: That certain claim for redemption against the Michigan State Board of Escheats and the State of Michigan, arising by reason of the collection or receipt by said Board of Escheats pursuant to orders of the Circuit Court in Chancery of the County of Oakland (Files numbered 24,009 and 16,720) in accordance with the provisions of Michigan Statutes, Title 26, Chapter 263 (escheated estates) of the following: Those sums of money previously on deposit in dormant accounts maintained with the First State Bank of Royal Oak, Michigan, in the name of Mary Jungwirth; and any and all rights to file with said Michigan State Board of Escheats, demand, enforce and collect the aforesaid claim for redemption,

is property within the United States owned or controlled by, payable or deliverable to, held on behalf of or on account of, or owing to, or which is evidence of ownership or control by, Mary Jungwirth, also known as Mary Jungwirth Kage, Maria Jungwirth and as Maria Kage, the aforesaid national of a designated enemy country (Germany); and it is hereby determined:

3. That to the extent that the person named in subparagraph 1 hereof is not within a designated enemy country, the national interest of the United States requires that such person be treated as a national of a designated enemy country (Germany).

All determinations and all action required by law, including appropriate consultation and certification, having been made and taken, and, it being deemed necessary in the national interest,

There is hereby vested in the Attorney General of the United States the property described above, to be held, used, administered, liquidated, sold or otherwise dealt with in the interest of and for the benefit of the United States.

The terms "national" and "designated enemy country" as used herein shall have the meanings prescribed in section 10 of Executive Order 9193, as amended.

Executed at Washington, D. C., on March 19, 1951.

For the Attorney General.

[SEAL] HAROLD I. BAYNTON,
Assistant Attorney General,
Director, Office of Alien Property.

[F. R. Doc. 51-3915; Filed, Mar. 30, 1951;
8:53 a. m.]

[Return Order 912]

MAURICE HENRI LEMAIRE

Having considered the claim set forth below and having issued a determination allowing the claim, which is incorporated by reference herein and filed herewith,

It is ordered, That the claimed property, described below and in the determination, including all royalties accrued thereunder and all damages and profits recoverable for past infringement thereof, be returned after adequate provision for taxes and conservatory expenses:

Claimant, Claim No., Notice of Intention To Return Published, and Property

Maurice Henri Lemaire, Paris, France; Claim No. 41772; February 9, 1951 (16 F. R. 1292); property described in Vesting Order No. 666 (8 F. R. 5047, April 17, 1943), relating to United States Letters Patent Nos. 1,899,874; 1,922,895; 1,927,178; 2,004,051 and 2,057,400. This return shall not be deemed to include the rights of any licensees under the above patents.

Appropriate documents and papers effectuating this order will issue.

Executed at Washington, D. C., on March 26, 1951.

For the Attorney General.

[SEAL] HAROLD I. BAYNTON,
Assistant Attorney General,
Director, Office of Alien Property.

[F. R. Doc. 51-3917; Filed, Mar. 30, 1951;
8:53 a. m.]

[Return Order 919]

EMMA ZIMLICK EBELER

Having considered the claim set forth below and having issued a determination allowing the claim, which is incorporated by reference herein and filed herewith,

It is ordered, That the claimed property, described below and in the determination, be returned, subject to any increase or decrease resulting from the administration thereof prior to return, and after adequate provision for taxes and conservatory expenses:

Claimant, Claim No., Notice of Intention To Return Published, and Property

Emma Zimlick Ebeler, Philadelphia 19, Pa.; Claim No. 7749; February 16, 1951 (16 F. R. 1652); \$596.62 in the Treasury of the United States. A gold bracelet set with precious stones. All right, title, and interest of Emma Zimlick Ebeler in and to the trust created under the will of Arthur J. Zimlick, a/k/a Arthur John Zimlick, deceased. All right, title, and interest of Emma Zimlick Ebeler in and to the Estate of Arthur J. Zimlick, a/k/a Arthur John Zimlick, deceased.

Appropriate documents and papers effectuating this order will issue.

Executed at Washington, D. C., on March 26, 1951.

For the Attorney General.

[SEAL] HAROLD I. BAYNTON,
Assistant Attorney General,
Director, Office of Alien Property.

[F. R. Doc. 51-3919; Filed, Mar. 30, 1951;
8:53 a. m.]

[Return Order 920]

EMILE CHARLES ROBERT DIEDERICH

Having considered the claim set forth below and having issued a determination allowing the claim, which is incorporated by reference herein and filed herewith,

It is ordered, That the claimed property, described below and in the determination, including all royalties accrued thereunder and all damages and profits recoverable for past infringement thereof, be returned after adequate provision for taxes and conservatory expenses:

Claimant, Claim No., Notice of Intention To Return Published, and Property

Emile Charles Robert Diederichs, Isere, France; Claim No. 29555; February 16, 1951 (16 F. R. 1661); property described in Vesting Order No. 667 (8 F. R. 4996, April 17, 1943) relating to United States Letters Patent No. 2,281,561. This return shall not be deemed to include the rights of any licensees under the above patent.

Appropriate documents and papers effectuating this order will issue.

Executed at Washington, D. C., on March 26, 1951.

For the Attorney General.

[SEAL] HAROLD I. BAYNTON,
Assistant Attorney General,
Director, Office of Alien Property.

[F. R. Doc. 51-3920; Filed, Mar. 30, 1951;
8:54 a. m.]

[Return Order 921]

MERRITT J. MITCHELL ET AL.

Having considered the claim set forth below and having issued a determination allowing the claim, which is incorporated by reference herein and filed herewith,

It is ordered, That the claimed property, described below and in the determination, be returned, subject to any increase or decrease resulting from the administration thereof prior to return, and after adequate provision for taxes and conservatory expenses:

Claimant, Claim No., Notice of Intention To Return Published, and Property

Merritt J. Mitchell and Beatrice Irene Mitchell as executor and executrix, respectively, of the estate of Clara Bell Mitchell, deceased, New Castle, Pa.; Claim No. 1783; December 21, 1950 (15 F. R. 9176); \$2,153.22 in the Treasury of the United States. A four fifty-sevenths (45/7) portion of the all right, title, interest and claim of any kind whatsoever of August Rohrer and Hercular Rohrer, and each of them, in and to the Estate of Leopold Rohrer, deceased.

Appropriate documents and papers effectuating this order will issue.

Executed at Washington, D. C., on March 26, 1951.

For the Attorney General.

[SEAL] HAROLD I. BAYNTON,
Assistant Attorney General,
Director, Office of Alien Property.

[F. R. Doc. 51-3921; Filed, Mar. 30, 1951;
8:54 a. m.]

NOTICES

[Return Order 916]

LELIO SANTOMENNA

Having considered the claim set forth below and having issued a determination allowing the claim, which is incorporated by reference herein and filed herewith,

It is ordered, That the claimed property, described below and in the determination, be returned, subject to any increase or decrease resulting from the administration thereof prior to return, and after adequate provision for taxes and conservatory expenses:

Claimant, Claim No., Notice of Intention To Return Published, and Property

Lello Santomena, San Fele, Potenza, Italy; Claim No. 46777; February 17, 1951 (16 F. R. 1702); \$12,082.16 in the Treasury of the United States. A promissory note from Alphonsus A. Brufoli to Dominick Santomena, in the sum of \$700, dated August 9, 1926, with interest at 6%, payable on demand; this note is in custody of Deposit and Clearance Section, New York, New York. All right, title and interest of Lello Santomena in and to the Estate of Domenick Santomena, also known as Dome-

nick A. Santomena, Domenico Santomena, Dominick A. Santomena and Dominick Santomena, Deceased.

Appropriate documents and papers effectuating this order will issue.

Executed at Washington, D. C., on March 26, 1951.

For the Attorney General.

[SEAL] HAROLD I. BAYNTON,
Assistant Attorney General,
Director, Office of Alien Property.

[F. R. Doc. 51-3918; Filed, Mar. 30, 1951;
8:53 a. m.]

[Return Order 924]

MARIA TERESA FERRISE

Having considered the claim set forth below and having issued a determination allowing the claim, which is incorporated by reference herein and filed herewith,

It is ordered, That the claimed property, described below and in the determination, be returned, subject to any increase or decrease resulting from the

administration thereof prior to return, and after adequate provision for taxes and conservatory expenses:

Claimant, Claim No., Notice of Intention To Return Published, and Property

Maria Teresa Ferrise, Cosenza, Italy, Claim No. 35273; July 29, 1950 (15 F. R. 4910); \$61.56 in the Treasury of the United States.

One (1) Life Insurance Certificate No. A440, dated May 1, 1940, issued by the Travelers Insurance Company of Hartford, Connecticut, in the face amount of \$1,000.00 on the life of Giovanni Ferrise, named beneficiary, Maria Teresa Ferrise, in custody of the Deposit and Clearance Section, Comptroller's Branch, Office of Alien Property, 120 Broadway, New York, New York.

Appropriate documents and papers effectuating this order will issue.

Executed at Washington, D. C. on March 26, 1951.

For the Attorney General.

[SEAL] HAROLD I. BAYNTON,
Assistant Attorney General,
Director, Office of Alien Property.

[F. R. Doc. 51-3878; Filed, Mar. 29, 1951;
8:54 a. m.]